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EC and U.S. See Progress On Trade but No Deal Yet

Tough Farm Issue Yields To Negotiations, but Other Obstacles Remain

By Tom Brackley

International Herald Tribune

BRUSSELS — The United States and the European Community claimed significant progress in two days of trade talks that ended here Thursday and said they reached an outline agreement on agriculture, their toughest dispute. But they failed to produce a breakthrough that could guarantee a global trade accord in two weeks.

"We have an agreed-upon approach to all major issues that would pave the way to completion of a substantive and comprehensive Uruguay Round," said Mickey Kantor, the U.S. trade representative.

But Mr. Kantor said three or four major areas of disagreement remained, including European demands to protect Europe's movie and television industry and America's insistence on retaining tough trade retaliatory weapons like anti-dumping duties.

In addition, both sides said many difficult details had to be resolved even in areas where they achieved an outline settlement. Negotiators will work intensively over the next three days, and Mr. Kantor will return to Brussels on Monday in a final bid to reach a deal with his EC counterpart, Sir Leon Brittan.

"I think we are certainly closer to a Uruguay Round agreement than we were two days ago," Mr. Kantor said. He cautioned, however, that there was "a hard weekend of work ahead" and that reaching an agreement by Monday "will not be easy."

"I did not expect to make as much progress as we have done yesterday and today," Sir Leon said. But he added, "I can't guarantee that we will reach an agreement."

The biggest hopes rested by officials here involved the biggest area of U.S.-EC dispute: agriculture. Officials indicated that they had agreed on the basis of a trade-off whereby the United States would allow some limitations in the Blair House accord limiting farm export subsidies, as France has demanded, in return for Europe's willingness to allow greater imports of farm goods to its market.

Rene Steichen, the EC farm commissioner, said Europe's goals for the Uruguay Round — which include a negotiated program of subsidy cuts, a suspension from the cuts of huge EC inventories and a commitment by the United States not to attack EC farm programs in the future — "have been positively received."

Mike Espy, the U.S. agriculture secretary, said the outline agreement would "address the major concerns" of the Community "while preserving the integrity of the Blair House agreement." He said it offered farmers in America and the Cairns group of agricultural exporters significant new access to the European market for grain, meat, dairy products and specialty farm goods.

"I am very, very optimistic about the outcome of the discussions on agriculture," he said.

Mr. Kantor indicated that the package See GATT, Page 3



Pehr Gyllenhammar leaving a press conference after his resignation as Volvo's chairman in the wake of the Renault merger collapse.

Auto Industry's Unity Plans Hit a Bump

By Jacques Neher

International Herald Tribune

PARIS — The need for European industry to consolidate to compete in the global market took a back seat to nationalism Thursday with the collapse of the proposed automotive merger between Renault SA and Volvo AB.

While the French and Swedish carmakers are likely to manage alone in the short term, the longer-term outlook appeared shaky for Volvo's car business and Renault's truck activities.

The revolt in Sweden against the merger proposal, and the conditions imposed by

France that many said were largely responsible for that revolt, were emblematic of the problems that European companies in many industries will face as they try to join forces in the years ahead.

"This is a lesson on how much economic nationalism still exists in Europe, and how it governs how industry organizes itself," said John Lawson, automotive analyst with DRI/McGraw-Hill in London. "Other companies will be pretty careful before they open this sort of box again."

Dooming the project from the beginning,

some say, was the fact that one of the partners, Renault, belonged to the French government. Even though the government had promised to privatize the company next year, its insistence on retaining a so-called golden share after privatization seemed to say to many Swedes that France was attempting to take control of part of their heritage.

"The golden share would have put me off, too," said George Taucher, a specialist on international mergers and professor at the Interna-

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Colombia Drug Lord Dies in Shoot-Out

Compiled by Our Staff From Dispatches

BOGOTA — Colombian security forces killed the drug lord Pablo Escobar Gaviria in the northwest city of Medellin Thursday, ending a 16-month hunt for one of the most wanted men in the world.

Mr. Escobar, boss of the Medellin cocaine ring, was killed Thursday afternoon in a shoot-out at a shopping mall as the police tried to arrest him, police sources said.

Mr. Escobar, who turned 44 Wednesday, was wanted in the United States and Colombia for drug trafficking and terrorism. He had a price of more than \$6 million on his head.

He has been blamed for the deaths of hundreds of people — including presidential candidates, judges, a newspaper publisher and police officers — in a series of assassinations and car bombings.

The prosecutor-general, Gustavo de Greiff, called the killing "excellent for the country, a demonstration that crime does not pay."

Senator Andrés Pastrana said: "Escobar ended up being a symbol of violence and narco-terrorism. Now the country can begin to live more peacefully."

Radio reports said Mr. Escobar had been killed along with a second man and that more than 500 police and army officers had cordoned off the area, in the western part of the city.

The killing of Mr. Escobar was the government's biggest single blow against the drug trade since a fierce war between traffickers and the government erupted in 1984.

Mr. Escobar had been on the run since escaping from a Colombian prison in July 1992.

The drug lord's wife and two children fled to Germany on Saturday in an unsuccessful attempt to seek asylum. They then returned to Colombia and were staying in a luxury hotel in Bogotá under army protection.

(Reuters, AP)

'Anti-Foreigner' Revolt at Volvo Scuttles Merger

By Richard W. Stevenson

New York Times Service

LONDON — Faced with mounting opposition from shareholders and a revolt from its own management, Volvo AB of Sweden abandoned its effort on Thursday to conclude a planned merger with Renault SA of France, prompting the immediate resignation of Volvo's chairman and throwing the future of the two big carmakers into disarray.

In a move apparently engineered by Soren Gyll, the Swedish company's No. 2 executive, Volvo's board canceled a meeting scheduled for Tuesday at which shareholders were to have voted on the merger with Renault, which was supposed to take effect Jan. 1.

A number of Volvo's largest shareholders had said publicly in recent days that they would oppose the merger, and the plan seemed increasingly likely to be rejected.

Volvo's American Depository Receipts jumped by \$2.875, to \$55.375, in New York in a surge of volume, Bloomberg reported from New York. Markets in Europe were closed by the time of the announcement.

The last straw for the board came Thursday when Mr. Gyll, at a hastily assembled meeting in Stockholm, made clear that many of Volvo's top executives favored backing out, despite the continuing strong support for the deal from Pehr Gyllenhammar, the chairman, who led Volvo for more than two decades and had long sought to push Volvo toward integration with a European partner.

Volvo did not say whether it would reopen negotiations with Renault, or what would happen to the existing alliance between the companies, which includes cross-ownership of stock and joint purchasing and product development efforts.

But relations between the companies have clearly been left in tatters. In a statement, Renault said it "deplores" Volvo's action and defended the deal as fair. Renault said its alliance with Volvo remained in force, but that it would evaluate the situation and take any steps necessary to guarantee its interests.

To a sign of the deep divisions within Volvo over the matter, four other board members in addition to Mr. Gyllenhammar resigned after the meeting.

The events on Thursday marked a precipitous fall for the 58-year-old Mr. Gyllenhammar, Sweden's highest profile executive — he is known simply as P.G. — and his most highly paid — he earned about \$1.3 million last year.

Mr. Gyll, Volvo's managing director, had previously given no public indication that he opposed the merger. But Mr. Gyll ultimately sided with the rebellious shareholders and an influential contingent of the carmaker's executives who opposed the deal. The dissidents had repeatedly raised specific objections, particularly about the vagueness of the French government's plans to privatize Renault and France's insistence on retaining a "golden share" that in their view could effectively guarantee French control of the merged enterprise.

But analysts said that the root of the problem may have been much more general: a wide-

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Air-Fare War Is Set Off By Lufthansa

Bloomberg Business News

PARIS — Lufthansa AG started an air-fare war within Europe Thursday that analysts said was reminiscent of a U.S. half-price fare battle last year that plunged the U.S. airline industry deeply into the red.

Lufthansa said it would slash fares by an average of 50 percent for travel throughout Europe, a move that drew rapid responses from KLM Royal Dutch Airlines, Scandinavian Airlines System and British Airways.

British Airways at first said it would match Lufthansa's cuts but later said that for trips from Germany to Britain, it would slash fares to levels considerably below those offered by the German carrier. BA offered 299 Deutsche mark (\$175) round trip fares between Berlin and a dozen German cities and Britain, for example.

Analysts said the cuts could unleash damage of a sort approaching that seen in the United States in 1992.

"This could deepen some already relatively deep wounds," said Ed Scerbo, director of information services at the airline consulting firm Avias Inc. in Washington. But Mr. Scerbo said that the European fare war was out as heated as the U.S. one last year because it did not involve all routes in Europe.

SAS is cutting fares by 50 percent from its own Scandinavian market into other European destinations and from Germany into Scandinavia, while KLM is offering lower fares to many European destinations.

Among other carriers, Air France said it would match Lufthansa's fares from Germany to France, but would not match the fares for passengers originating in France.

Swissair and Alitalia said they did not intend to match fare cuts immediately, while Iberia said it already had winter promotions and did not plan to match the new cuts.

All the cut-price fares announced Thursday are applicable for travel between Dec. 27 and March 27 and must be booked by Dec. 31.

A spokesman for Lufthansa, Gerd Leidiger, said: "January, February and March are not the strongest months of the year, so we have to stimulate traffic."

The airline ran a similar promotion last winter, and it bolstered passenger traffic, he added, without giving figures.



SETTLERS MOURN — The brother of a shooting victim in his funeral procession Thursday in the West Bank. Israel played down a deadline in PLO talks. Page 2.

Kiosk Shuttle Crew Reports 'A Beautiful Sunrise'

CAPE CANAVERAL, Florida (AP) — The space shuttle Endeavour, with seven astronauts aboard, roared into orbit Thursday on a mission to repair the Hubble Space Telescope.

"It's a beautiful sunrise," Commander Richard Covey radioed back moments after reaching orbit.

The critical repair mission has scheduled more spacewalks than any American mission to date — five, maybe more.

The first attempt to launch Endeavour was thwarted Wednesday by high wind.

Patten to Submit Bill

In a move that China said would "mean the breakdown" of negotiations over Hong Kong, Governor Chris Patten on Thursday announced that he would submit some democratic reforms to the colony's Legislative Council without Beijing's approval. But Britain's foreign secretary, Douglas Hurd, held out hopes for more talks with China. (Page 2)

Asia's Next Boom: An AIDS Explosion Surge of Cases Threatens to Brake Developing Economies

By William Branigan

Washington Post Service

BANGKOK — Although the AIDS virus took root in Asia well after it did in Africa, the annual number of new HIV infections in Asia is expected to surpass those in Africa in the next couple of years. By 2000, Asia is projected to account for more than half the world's total of HIV infections, according to the Asian Development Bank, threatening to devastate some of the region's booming economies.

Currently, the World Health Organization estimates that more than 14 million people worldwide are infected with HIV, the human immunodeficiency virus that causes AIDS. By the end of the century, WHO projects 30 million to 40 million infections, but other forecasts put the figure as high as 120 million, depending largely on the course of the disease in Asia.

"Most of Asia unfortunately is still either asleep or in the early stages of denial or, worse than that, hilariously lying about HIV infections," said Michael Viravadyan, an AIDS-prevention and family-planning activist credited with promoting Thailand's relatively candid

approach to the issue. "All of this undermines the future chances of trying to rectify the situation. Time and lives are being lost."

In the nine years since the AIDS virus first appeared in Thailand, this country has developed one of the world's highest infection rates, propelling what experts describe as the rapid shift of the disease's center of gravity from Africa to Asia.

The spread of the virus in Thailand is exemplary of its spread throughout Asia. Despite the most aggressive campaign in Asia against AIDS, this country of 59 million appears to be fighting a losing battle, facing the prospect of an economic and social catastrophe brought on by the disease, health experts say. The HIV infection rate in Thailand is already more than three times that in the United States, and it is exploding through the heterosexual population.

A combination of new strains of HIV, heavy intravenous drug use, a flourishing commercial sex industry and entrenched high-risk behavior by Thai males has created a virtual AIDS greenhouse here.

"It is expected that the HIV/AIDS epidemic

in Thailand will continue to expand, with heterosexual intercourse being the most important mode of transmission," a Health Ministry report said. "By the end of the century, mortality due to AIDS could become the leading cause of death in Thailand."

"I think it will be impossible for us to control AIDS," said Dehbanom Muangman, a leading Thai expert on the disease and a member of the country's National AIDS Committee.

More than 600,000 Thais — more than 1 percent of the population — are estimated to be infected with HIV, Mr. Dehbanom said.

Adding to the grim picture are sex tourism here and the exporting of prostitutes; rampant corruption and the involvement of organized crime and foreign pedophiles, and widespread child prostitution.

Helping spread the disease into the family is the continuing tendency of philandering Thai men to frequent prostitutes. The practice recently prompted two AIDS researchers, in a letter to a Bangkok newspaper, to remark that "for Thai women, the most important risk factor for HIV infection is marriage."

They're Not Beating Their Chests Over This Local Hero

By Lee Hockstader

Washington Post Service

LVOV, Ukraine — Just under the skin of this gorgeous East European city lurks a secret so painful, so nearly excruciating, that it is practically... delicious.

It is not to be found in any of the four universities, nor in the splendid skyline of Gothic, Baroque, Renaissance and ecclesiastical architecture, nor in any of the usual textbooks about Lvov's varied history under Austro-Hungarian, Polish, Nazi, Soviet and now Ukrainian rule.

No, Lvov's greatest claim to international fame may be as the 19th-century birthplace of one Leopold von Sacher-Masoch — known to the world as the inspiration for the word "masochism."

Trouble is, Lvovites are not exactly lining up to claim him. In fact, in the 47 years of Soviet rule here, the fact that Sacher-Masoch was born in Lvov was nearly swept under the historical rug.

As the Communist cobwebs clear, most people in predominantly Catholic Lvov (pronounced "le-VEEW") appear slightly horrified to learn that their graceful city gave birth to such a world-class nonconformist.

"I wouldn't consider him Lvov's most famous son," said

Sonya Soutos, press director for the Ukrainian Catholic Church, sounding astonished to learn that Sacher-Masoch was born and reared here.

What would the church think if Lvov were to name, say, a street after Sacher-Masoch?

"I think probably, we're against it," she said, stifling a giggle. "Although no comment, officially."

Undeterred, a tiny group of artists and counterculture types is doing its best to resurrect Sacher-Masoch's name. So far, it has been slow going.

"He was neither a hero of the Soviet Union nor a hero of Ukrainian nationalism," said Igor Podolchak, a 32-year-old artist who leads the group. "There's no memorial, no statue, not even a plaque on a wall."

But Mr. Podolchak said that Sacher-Masoch was enough of a major figure in world culture to merit some attention.

Born in 1836 in a brownstone on a pretty cobblestone street, Sacher-Masoch was the son of the local police chief. The family lived in Lvov (then called Lemberg and part of the Austro-Hungarian Empire) until the young Sacher-Masoch was 14, then moved to Graz, in present-day Austria.

There he married, fathered children, taught history and wrote a large number of novels and stories in German exploring

his peculiar obsession. His most celebrated book, "Venus in Furs," published in 1869, chronicled a rather unorthodox relationship and inspired a following that lasts even today.

The Daily Telegraph in London recently described the book as a "bondage bible" and described its plot as "sort of boy meets girl, girl whips boy... then boy loses girl, girl loses whip and boy gets girl back."

For this literary achievement, Sacher-Masoch was decorated in France and toasted in literary salons in Europe and America.

Richard von Krafft-Ebing, a 19th-century sexologist and contemporary of Sacher-Masoch's who documented hundreds of sexual aberrations in his book "Psychopathia Sexualis," coined the term "masochism" at the height of Sacher-Masoch's fame. This coinage is said to have upset the author, who thought he had gotten a bad rap when he discovered his name had been made into a sexual aberration.

Although Sacher-Masoch, who died in 1895, is largely forgotten in Lvov, Mr. Podolchak and his group are trying to change that. They have given their strictly unofficial association the august-sounding title of the International Masoch

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Newsstand Prices	
Andorra.....9.00 FF	Luxembourg 60 L. Fr
Antilles.....11.20 FF	Morocco.....12 Dh
Cameroun.....700 CFA	Qatar.....8.00 Riels
Egypt.....E.P. 5000	Réunion.....11.20 FF
France.....9.00 FF	Saudi Arabia.....9.00 R.
Gabon.....480 CFA	Senegal.....480 CFA
Greece.....280 Dr.	Spain.....200 PTAS
Ivory Coast.....560 CFA	Tunisia.....T.L. 10,000 Din
Jordan.....1 JD	Turkey.....L. 50
Lebanon.....US\$ 1.50	U.S.A.E.....A.50 Dirh
	U.S. Mil. (Eur.) \$1.70

Dow Jones		Trib Index	
Up	5.03	Up	0.40%
	3,702.11		107.27
The Dollar		Euro close	
New York	1.7225	Frankfurt	1.7228
London	1.4838	Paris	1.478
Yen	108.80		108.80
FF	5.9385		5.845

Nuclear Agency Sounds an Alarm Over North Korea

By David E. Sanger
New York Times Service

TOKYO — The head of the International Atomic Energy Agency declared Thursday for the first time that there was no longer any "meaningful assurance" that North Korea was using its nuclear materials for solely peaceful purposes.

The statement added pressure on the Clinton administration to reach a diplomatic accord with the North in the next several weeks or move to economic sanctions.

In a carefully worded assessment at the opening of a meeting of the agency's board of governors in Vienna, Hans Blix, the IAEA director-general, stopped just short of saying that the inspection process had totally broken down because of the North's refusal to allow regular inspections of the facilities.

But his aides made it clear that he was ready to make such a declaration by the end of the month, a step that officials in Washington and Seoul have said would trigger a gradual imposition of sanctions.

Mr. Blix's comments came as Pyongyang denounced the Clinton administration and the director of central intelligence, R. James Woolsey, for trying "to push the situation on the Korean Peninsula to the brink of war."

The North Korean statement apparently came in response to Mr. Woolsey's comment earlier this week that Pyongyang might not be bluffing when it says it

down the rhetoric. But at the same time he has asked Defense Secretary Les Aspin and General John M. Shalikashvili, chairman of the Joint Chiefs of Staff, to lay out options for beefing up U.S. and South Korean forces in case North Korea lashes out in response to sanctions.

Energy agency officials have said in recent days that Mr. Blix, under some pressure from Washington, Tokyo and Seoul, is postponing a formal declaration that the agency can no longer track nuclear material in North Korea. The delay is intended to give the U.S. administration a few more weeks to seek a diplomatic solution to the impasse.

"We are really walking the precipice," an agency official said. "We want to give the political process one more chance, though."

On Wednesday, a North Korean deputy minister of foreign affairs, Kang Sok Ju, sent a message to Mr. Blix assuring him that North Korea had "totally frozen the movement of nuclear material" some time ago, and that "the inspection cameras and seals of the IAEA remain on the nuclear facilities."

Still, there were concerns about the Western pressure on opening its nuclear facilities.

Since then, Mr. Clinton has made an effort to tone down the rhetoric. But Mr. Blix said Thursday that "in the absence of verification," such statements offered "little assurance."

In the message, Mr. Kang offered to allow inspectors to visit North Korea for the limited purpose of installing new batteries and film in surveillance cameras.

Mr. Blix rejected a similar proposal a month ago, saying that the inspectors must have the freedom to roam and seek evidence of diversions of nuclear material to weapons projects.

Virtually all of the cameras and other surveillance equipment installed at the nuclear site at Yongbyon, 100 kilometers (60 miles) north of Pyongyang, have now run out of film and battery power, making it possible for North Korea to slip material past the camera locations.

Mr. Blix said he was "bound to conclude that the safeguards system which was in place on declared nuclear material and installations" in North Korea "cannot be said to provide any meaningful assurance of peaceful use of these installations and this material."

The energy agency chief was clearly trying to steer clear of language that could scuttle talks between the United States and North Korea.

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"The IAEA is being asked to sacrifice its credibility to give time to bring North Korea around," said Gary Milhollin, director of the Wisconsin Project on Nuclear Arms Control. "The IAEA's job is to sound an alarm when they can no longer perform their inspection duties. They are supposed to alert the world that nuclear material may be going astray."

But as Washington talks about the costs of sanctions and the latest assessments of North Korea's nuclear and conventional threat, two other major players in the negotiations, Japan and South Korea, are avoiding discussion of what would happen if current negotiations fail.

In Tokyo and Seoul, newspapers are saying relatively little about the nuclear standoff, finding a bigger threat to national security in demands at the trade talks in Geneva that they open their markets to rice from foreign countries.

"Washington is taking a more alarmist view of the nuclear problem than we are," a senior Japanese diplomat said Thursday.

A senior South Korean official acknowledged that his country was attempting to lower the political heat so that North Korea does not feel trapped.

"We were concerned that the North could use this debate in Washington as an excuse to end our discussions, or even to lash out," he said. "So we are trying to get some more time."

WORLD BRIEFS

Militants Kill Spaniard, Algeria Says

ALGIERS (AP) — A Spaniard became the eighth foreigner to be killed in Algeria since September in what the government called an attack by an Islamic terrorist group, officials said Thursday.

It was the first reported attack on a foreigner since a threat by the Armed Islamic Group pledging "sudden death" for non-Algerians, meaning Westerners, who did not leave the country by midnight Tuesday.

Officials said Manuel Lopez Bailen was killed either Wednesday or Thursday about 100 kilometers (60 miles) south of Algiers while with two Algerian couples. They were traveling in his personal car, which had Spanish license plates. Two French surveyors were murdered on Sept. 23.

EC Tightens Sanctions on Nigeria

LONDON (Reuters) — The European Community is imposing new sanctions on Nigeria's military rulers because of their refusal to return the country to civilian rule, the British government said Thursday.

Alastair Goodlad, Foreign Office minister of state, told Parliament that the sanctions could be tightened further if General Sani Abacha, who took power last month, failed to make progress toward democracy.

He said defense officials at the Nigerian Embassy would now need permission to travel outside London and four Nigerian military students in Britain would be asked to leave. New export applications for military equipment would be reviewed on a case-by-case basis "with the presumption of denial," he added. Mr. Goodlad said Britain's EC partners would take similar measures.

Scrap N-Arms, NATO Tells Ukraine

BRUSSELS (Reuters) — NATO foreign ministers threatened Thursday to exclude Ukraine from cooperation if it refused to give up nuclear arms. But they agreed to leave the door open for new members in the longer term once East Europeans have closer military ties with the West.

Under strong pressure from Russia not to expand NATO and despite complaints from Eastern nations that are not being let in, the ministers, meeting in Brussels, agreed instead to increase links with all the former Warsaw Pact members, including Russia.

But they agreed that Ukraine, which has failed to fulfill a promise to get rid of the former Soviet Union's long-range nuclear missiles on its soil, would not be eligible until it promised to become a nonnuclear state.

Effort to Gag Yeltsin's Rivals Fails

MOSCOW (AP) — The election commission ruled Thursday that all political parties, including the Communists, are free to criticize President Boris N. Yeltsin's draft constitution and will not be banned from the Dec. 12 elections.

Mr. Yeltsin had threatened to deprive critics of his draft constitution of free broadcast time for campaigning, and a first deputy prime minister, Vladimir F. Shumeiko, who is in charge of organizing the referendum, then asked the election commission to ban parties who spoke out against the document.

Aidid, in Shift, to Go to Peace Talks

ADDIS ABABA (Combined Dispatches) — Somalia's top militia leader, Mohammed Farrah Aidid, has changed his mind and will attend peace talks in Addis Ababa, Ethiopian officials said Thursday.

An Ethiopian minister said General Aidid, who earlier had rejected going because he feared his life would be at risk, would arrive in Addis Ababa with an envoy from the Ethiopian president. (Reuters, AFP)

Flawed Gene Linked to Colon Cancer

BOSTON (AP) — Scientists have tracked down a flawed gene that causes about 10 percent of all colon cancer, one of the most common inherited disorders, and say it should quickly lead to the first broadly used genetic screening test. The vast majority of those detected with the flaw should be spared death from this cancer, one of the scientists says.

Unlike many basic scientific discoveries, doctors believe this one will have almost immediate practical applications. They say that within a few months, two years at most, there will be a simple blood test to detect those with the defective gene so they can be watched for signs of cancer. Colon cancer is easily stopped if found soon enough.

One of the discoverers, Dr. Bert Vogelstein of Johns Hopkins University, said the test should probably be taken by anyone with a close relative who has ever suffered colon or uterine cancer. "That's millions and millions of people," he said.

For the Record

Prime Minister Jean Chrétien of Canada said Thursday that his government would soon take the last legal step to enact the North American Free Trade Agreement, removing the final obstacle to the accord's scheduled implementation date of Jan. 1. (WP)

Allegations of fraud and kickbacks at the National Aeronautics and Space Administration are being investigated by the Justice Department, U.S. law enforcement officials said Thursday. (Reuters)

The governor of Saint Kitts declared a state of emergency Thursday for 21 days after police broke up a demonstration by hundreds of Labor Party supporters demanding new elections. All businesses and government offices in the capital, Basseterre, were closed and the police reported looting. (AP)

French Pilot Suspended For Cutting Jet's Power

PARIS — An Air Inter jetliner with 150 passengers on board dropped 1,600 meters near Paris in October after the pilot turned the engines off twice in less than two minutes, a company spokeswoman said Thursday.

The twin-engine Airbus A-320, bound from Paris for the Roman Catholic shrine city of Lourdes in southwestern France, fell 3,200 feet, from an altitude of 1,500 meters to 500 meters, just after takeoff from Orly Airport before the crew regained control, she said.

A separate statement from Air Inter, the state-owned French domestic airline, confirmed an earlier report about the Oct. 22 incident and said the pilot was suspended.

The statement said investigations had been opened by the company and by civil aviation authorities.

France-Info radio said earlier that the captain cut both engines by mistake after realizing the plane's landing gear was still lowered. The plane glided down and both engines were restarted, but the captain again cut them off, the radio report said.

It said that the pilots managed to start the engines once again and that the plane returned to Orly. The captain reportedly wanted to take off again for Lourdes but was immediately suspended.

One of the passengers, Henri Tineo, religious affairs correspondent for the newspaper *Le Monde*, said France-Info that there was no panic among passengers and that they were not told about the incident until their return to Orly.

TRAVEL UPDATE

Britain's Beaches Improve, Slightly

LONDON (Reuters) — A fifth of Britain's beaches fell to meet European Community standards for bathing water quality, but Environment Minister Tim Yeo said Britain's record was improving, with 80 percent of 457 beaches monitored last summer meeting the EC's bacteria standards, up from 79 percent in 1992 and 76 percent in 1991.

"This slow but steady increase is a satisfying indication that the works being undertaken to improve bathing water quality are having the desired effect," Mr. Yeo said in a written parliamentary answer. "Some waters which invariably failed in previous seasons are now up to standard."

The Ugandan government has waived visa requirements for visitors from 32 countries in a bid to attract more tourists. The new regulations apply to visitors from all European Community and Scandinavian countries, the United States, most Middle Eastern nations, several Far Eastern countries, Australia and New Zealand. (AP)

A total of 118 accidents and 14 injured were recorded Thursday morning in Schleswig-Holstein, Germany's northernmost state. All schoolchildren were told to stay home as freezing rain swept across the region. A police spokesman said the Hamburg-Flensburg superhighway had to be closed for an hour. (Reuters)

Railway engineers in northern Paris suburbs stayed away from work on Thursday to press demands for improved safety conditions. Their action came a day after an accident in the northern suburbs killed four people, including an engineer. (Reuters)

Air Inter canceled 15 of 300 flights within France on Thursday, and several others were delayed because of a surprise strike over union demands on the government to scrap plans for allowing more competition by foreign companies. The airline canceled flights to Nice, Marseille, Bordeaux, Biarritz and Mulhouse. (Reuters)

Israel Asks Patience On Self-Rule's Start Better to Be Clear, Rabin Says

Compiled by Our Staff From Dispatches

LONDON — Prime Minister Yitzhak Rabin urged patience Thursday on those pressing for a Dec. 13 start to limited Palestinian self-rule, saying they would not have to wait many weeks more for a lasting agreement.

"It is much more important," Mr. Rabin said, to get a clear agreement than to complete it by a certain date.

"If a week or two more will be needed, it's better to have a clear-cut agreement and then to implement it," he said.

Mr. Rabin condemned both Palestinian and Israeli extremists who have sought to derail the peace process. But he said that Islamic militants had been the first to try to sabotage the autonomy agreement.

Earlier, in Bonn, Mr. Rabin denied an Israeli press report that he and the chairman of the Palestine Liberation Organization, Yasser Arafat, had agreed to delay carrying out the first phase of the accord.

But he conceded that starting a four-month implementation period by Dec. 13 was currently looking "difficult."

Mr. Rabin asserted that it was not so serious if the two-month negotiating period provided for under the Sept. 13 accord was extended.

"We have to look at this as one unit," Mr. Rabin said, "and not worry if there are an additional two weeks or three weeks for the first phase."

The clearer the agreement will be, the easier and the quicker will be its implementation," he said.

In the occupied territories, hundreds of Jewish settlers set up barricades and snarled traffic throughout the West Bank on Thursday to protest the killings of two Israelis by Palestinian gunmen.

Israeli troops did not intervene in the protests.

The army, meanwhile, began to carry out an understanding with PLO leaders to reduce its presence in the occupied Gaza Strip and halt its battle with the Fatah Hawks, a group of young militants in Yasser Arafat's mainstream organization, El Fatah, Israeli and Palestinian officials said.

The weekend killing of a Fatah Hawk by undercover Israeli troops set off the worst rioting in the Gaza Strip since Israel and the Palestine Liberation Organization signed the peace accord on Sept. 13.

(Reuters, AFP, AP)

French Awareness High On Holocaust, Poll Says

PARIS — The French, who have often been accused of trying to ignore France's role in the deportation of Jews during World War II, are much more knowledgeable about the Holocaust than Americans and Britons, according to a poll carried out for the American Jewish Committee.

The results of the poll, released here Thursday, also show that while a majority of the French are aware of the movement to deny the existence of the Holocaust, 94 percent of them — compared with 84 percent of Britons and 62 percent of Americans — believe that extermination of the Jews did take place.

The poll by Louis Harris-France

Germans Investigating 'Hit-List' Publication

KARLSRUHE, Germany — The Federal Prosecutor's Office said Thursday it was investigating a neo-Nazi magazine that published a detailed "hit-list" of leftist political opponents.

The magazine *Einsicht* appeared last week and carried the addresses, telephone numbers and car license plates of at least 250 writers, teachers, businessmen and politicians it said neo-Nazis should "smash."

Distributed by mail from Denmark, its goal appears to be revenge against "anti-fascist" groups that have openly protested growing far-right violence.

The prosecutor's office said it was investigating the "unknown" publisher and distributor of the magazine "on suspicion of having formed a criminal association."

Einsicht — the name means insight — describes itself as "the national resistance magazine against increasing Red Front and anarchist terror" and its cover shows a muscular skinhead threatening a long-haired leftist.

According to ARD television and reports in two newspapers, it calls on neo-Nazis to "smash and neutralize all destructive anti-German and anti-national forces in Germany."

Skirting around a potentially illegal call for violence, it proclaims: "We would of course not call for violence against our opponents in the sense of physical attacks or killings. Everyone must decide himself what he does with the information made available here. All we hope is that you do something with it!"

ARD quoted Ernst Uhlir, head of the Hamburg office of Germany's domestic security agency BfV, as calling the magazine a new step toward a neo-Nazi challenge against leftists, the state and its institutions.

It also quoted a leading Hamburg neo-Nazi, Christian Worch, as saying mayors, judges and police should be made responsible for recent bans on far-right rallies.

The magazine appears to be building on the work of groups in Hamburg, Berlin and Mainz that have been publishing similar lists for more than a year. The Berlin leftist daily *Tageszeitung* reported.

According to the newsweekly *Die Woche*, the Hamburg hit-list entitled *Index* has succeeded in undermining "anti-fascist" groups in the coastal town of Aurich after publishing about 100 names of potential targets there.

A local trade union leader, Manfred Kloepper, told *Die Woche* he would not stop campaigning against skinheads even though they have beaten up his teenage daughter twice.

In Berlin, a neo-Nazi magazine called *City Rebel* has run an address list of 30 bars and bookstores frequented by leftists.

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Mr. Patten addressing lawmakers Thursday: "We now have no choice but to begin legislating."

Postures, Not Policy, at Issue 2 Sides in Dispute Play to Own Audiences

By Kevin Murphy
International Herald Tribune

HONG KONG — The British-Chinese war of words over political reform in Hong Kong—a war that will most likely generate heightened incoherence before anything is resolved—is, at this stage, more about form than substance.

After Governor Chris Patten's announcement Thursday that he would present a partial package of democratic reforms to the colony's legislature on Dec. 15, without China's approval, both sides will now be playing to their respective galleries.

And the impasse between Britain and China will most likely retreat to a similar scenario of eight months ago: no agreements on matters of substance and no scheduled talks about them.

At this point in the long dispute over increasing the participation of Hong Kong people in the electoral system, Mr. Patten, the architect of the plan, needs to be seen as defiant toward China.

"After 17 rounds," Mr. Patten said, "it has still not proved possible to reach agreement, even on the most urgent and uncontroversial of issues. We have reluctantly concluded that we now have no choice but to begin the process of legislating on the simpler issues, not least if we are to give ourselves more time to talk with China about the more difficult ones."

At the same time, Beijing and its allies in Hong Kong feel they must appear suitably aggrieved, defending China's reputation and vision of national sovereignty.

After Mr. Patten's announcement, Beijing — not unexpectedly — said the unilateral step would destroy a negotiating process that has dragged on through months of fruitless talks.

In a conciliatory gesture, Mr. Patten moved to allow the 28 Hong Kong residents who serve in China's parliament to run for office in the final elections to be held under British rule in 1994-95.

But the gesture was not enough to mollify Beijing, which has fiercely opposed Mr. Patten's proposals since they first surfaced in October last year.

China first ignored the democratic reforms, then resisted them with public attacks that have jarred a nervous local stock market over several months. It agreed to the talks with Britain in April only after Mr. Patten threatened to introduce legislation on the full package for debate without Beijing's approval.

The limited measures now formally on the Legislative Council's agenda would establish a single-seat, single-vote electoral system, lower the voting age to 18 from 21 and abolish appointments to

Patten Opts To Bypass China and Draws Ire

By Paul Blustein
Washington Post Service

BEIJING — China and Britain escalated their confrontation over the future of Hong Kong on Thursday as the colony's governor, Chris Patten, announced that he would proceed unilaterally with democratic changes and Beijing declared that the decision would "mean the breakdown" of negotiations.

The development marked a potentially serious heightening in tension between the two sides over the issue of how extensively Hong Kong is to be democratized before its reversion to Chinese rule in 1997.

Britain's foreign secretary, Douglas Hurd, held out hopes for more talks with China, Reuters reported from Brussels. He said Britain had hoped Mr. Patten's proposed steps "would be uncontroversial."

"Unfortunately, they were not," Mr. Hurd said. "But we hope that it will be possible to continue discussions with China on the other matters."

Mr. Patten's decision to introduce a portion of his political legislation in Hong Kong's parliament, the Legislative Council, presented China with a clear challenge, although he softened the blow by withholding more contentious proposals.

The move followed 17 rounds of talks in which Mr. Patten sought to win Beijing's assent for a plan to expand democratic rights in the colony's 1994-95 elections. On Thursday, after complaining for weeks of Chinese intransigence, Mr. Patten said that time had run out.

"We now have no choice but to begin the process of legislating," he said.

China replied in a dispatch by the official Xinhua press agency that the introduction of the legislation "would represent a very serious step to undermine the Sino-British talks and mean the breakdown of the whole talks."

Earlier, China's Foreign Ministry spokesman, Wu Jianmin, was quoted as stating that "should the talks break down, the responsibility would rest entirely with the British side."

The dispute threatens Hong Kong's political and economic stability, as well as Beijing's relations with Britain and, ultimately, with other Western democracies including the United States.

Under one much-discussed scenario, Mr. Patten could implement his changes during next year's elections, but Beijing would simply declare them null and void.

Although China has agreed to preserve Hong Kong's autonomy and its capitalist system for 50 years, Mr. Patten and his followers contend that the political reforms are necessary to enshrine the colony's free-wheeling way of life after 1997.

But Beijing views the moves as an effort to undermine its control over Hong Kong.

Bosnia Talks Founder on Issue of Land

By David B. Ottaway
Washington Post Service

GENEVA — Negotiations for a settlement of the Bosnian conflict ended in deadlock Thursday after the Bosnian Serbs had won a major concession from the Muslim-led government to divide Sarajevo into two cities but then refused to make any serious territorial concessions of their own.

Mohammed Sacirbey, Bosnia's United Nations ambassador, said that the Bosnian Serbs had taken an "uncompromising" attitude toward handing back any conquered lands in eastern or western Bosnia.

There are no concessions on the Serb side in terms of territory whatsoever," he said.

Bosnian government and Serb officials said the two sides would continue their talks next week in Sarajevo with the possibility that the negotiations could resume in Geneva.

Mr. Sacirbey said that the Bosnian government's tentative agreement to give the Bosnian Serbs one-third of Sarajevo and its surrounding suburbs had always been contingent on Serbian land concessions being made in eastern and western Bosnia.

The European Community has demanded that the Serbs give up 3 percent to 4 percent more than the roughly 20 percent they have already tentatively agreed to cede so that a Muslim majority republic could have one-third of the country. The Serbs presently hold over 70 percent of the land and would end up with about 30 percent.

In return for these additional land concessions, the Community has proposed that sanctions on economically-strapped Serbia, the main ally of the Bosnian Serbs, be progressively lifted as the peace plan goes into effect.

Despite the lack of any clear progress in the talks, observers here said that the Bosnian government's conditional acceptance of the capital's division appeared to be one more step toward the complete partition of Bosnia into three independent ethnically-based states.

Under the proposed peace plan under discussion here, the three republics were supposed to remain united in a loose "union," at least initially, with as many as 50,000 North Atlantic Treaty Organization troops brought in to assure its unity and the demilitarization of the three republics.

However, if the republics become immediately independent as now seems increasingly likely, the role envisaged for the United Nations and NATO would probably be substantially reduced.

Radovan Karadzic, leader of the Bosnian Serbs, the only participant visibly pleased by the outcome of the talks here, said there would be "two cities" in Sarajevo — one for the Serbs and the other for Muslims — and that this would eliminate any need for the United Nations to administer Sarajevo.

Mr. Sacirbey charged that the two international mediators, David Owen and Thorvald Stoltenberg, had failed to follow the mandate given to them by EC foreign ministers. Instead, the two mediators had allowed most of the negotiations to center on the division of Sarajevo, he said.

While the Bosnian government found the city's partition "repugnant," he said it had been forced to accept the concept because the international community had refused to do anything to lift the 19-month-old Serbian siege of the capital.

STATESIDE / BAD NEWS FOR TAX CHEATS

★ POLITICAL NOTES ★

Clinton's Vote-Loss First Year is a Rarity

WASHINGTON — After taking office with a pledge to end gridlock, President Bill Clinton is closing out the year without a veto, the first time for a new chief executive since Richard Nixon in 1969.

"We don't pick fights unnecessarily," said Howard Fester, Mr. Clinton's chief lobbyist in Congress. "On the important things, we've been able to work things through."

Charles Jones, a political science professor at the University of Wisconsin, said: "When a president does have a majority in Congress, if he's working it right, he's in a position to make the deals within his own party."

Mr. Jones said that Mr. Clinton had "shown himself to be a let's make a deal type of president," on tough issues such as the budget and the North American Free Trade Agreement.

Some Republicans see a smart political strategy at work, while others say it points up weakness.

"Strategically they probably made the right decision," said Eddie Mabe, a Republican political consultant. With Mr. Clinton and Democrats pledging an era of cooperation, he said, "even one veto to some extent would undermine that and generate a lot of headlines."

But Lynn Neuberger, who worked for Mr. Nixon and Ronald Reagan, said Mr. Clinton was a "man who's easily pleased." (AP)

Mitchell on Gun Control: First Things First

WASHINGTON — The Senate Democratic leader, George Mitchell of Maine, says he opposes taxes on ammunition and increased license fees for gun dealers, two gun-control ideas being considered by the Clinton administration.

Mr. Mitchell decided what he called "an interesting tendency whenever we pass legislation" to devote its significance and suggest some further step. He referred specifically to the Brady bill, which requires handgun purchasers to wait five business days for a background check.

"Passage of the Brady bill was significant," he declared. "I think the assault weapons ban passed by the Senate but not yet by the House is significant. I think we should concentrate our energy and our efforts on trying to gain its execution into law by next year."

President Clinton, however, has indicated he is prepared to go much farther than his party's Senate leader in pressing for new measures beyond the Brady bill and the assault weapons ban. (LAT)

Rostenkowski Warns on New Tobacco Taxes

WASHINGTON — Representative Dan Rostenkowski, Democrat of Illinois, has expressed doubts about steep increases in tobacco taxes that the White House is counting on to help pay for its health-care program.

While President Clinton has proposed a 75 cent increase in the federal tax on each pack of cigarettes, to 99 cents, he wants even steeper rises in the levies on chewing tobacco, snuff and other forms of tobacco. Taxes on cigars would also go up.

Mr. Rostenkowski said that witnesses before his committee "argued that the new taxes, particularly on products other than cigarettes, were onerous and that we should not ask a single industry to pay the entire additional cost." (AP)

Quote/Unquote

President Clinton, 47, sitting down for talks with Fringe Minister Carl Bildt of Sweden, 44: "I'm jealous of him because he's three years younger than I am. So I wanted to see about this man who's taken Europe by storm, that's so much younger than me." (Reuters)

Away From Politics

- A commuter plane slammed into a hillside about a mile short of the Hibbing, Minnesota, airport, killing all 16 passengers and 2 crew members. The weather at the time of the crash of the Northwest Airlines flight was foggy with freezing drizzle, and visibility was limited to about a mile, the authorities said.
- Stricter standards for clinics that give amniocentesis have been announced by the Food and Drug Administration, raising the possibility that some of the 12,000 mammography clinics in the United States will go out of business over the next year. The standards take effect on Oct. 1, 1994.
- A "primary suspect" in the abduction of a girl in Petaluma, California, is being questioned by police, but they had no answers for those asking where the girl, Polly Klaas, 12, might be. She was kidnapped at knife-point from her home on Oct. 1.
- Governor Mario M. Cuomo of New York said that he would nominate Carmen Beauchamp Ciparick, a New York state Supreme Court justice in Manhattan, to be the first Hispanic judge on the state's highest court, the Court of Appeals.
- The Public Broadcasting Service has a new president, Ervin S. Duggan, a member of the Federal Communications Commission. Mr. Duggan, a Washington insider, arrives at a critical time for public television with its 346 member stations, as its role is increasingly being questioned.
- The number of children who died in 1992 from apparent abuse or neglect by a parent or custodian in New York City dropped to 87 in 1992 from 102 the year before, the city's Human Resources Administration said.
- Michael R. Milken's cancer has spread beyond the prostate gland, but successful hormone treatments have allowed him to begin radiation therapy, he said. Mr. Milken, the former financier who launched the junk bond boom, is 47. (AP, NYT, WP, Reuters)

IRS to Sharply Increase Its Enforcers

By Albert B. Crenshaw
Washington Post Service

WASHINGTON — The Internal Revenue Service has announced plans for a fundamental reorganization of the agency that will affect as many as 20,000 workers and could sharply increase the agency's effectiveness in tracking down tax cheats.

The reorganization fits with the Clinton administration's "reinventing government" initiative but primarily is an outgrowth of the agency's \$12 billion replacement of its computer systems.

The new systems will reduce by about 34 percent the number of people needed to process tax returns and do other manual chores, officials said.

The agency expects to "reinvest" these savings by retaining workers to be auditors, revenue agents and other types of tax enforcers. Currently, many workers at the agency perform such repetitious and monotonous tasks as sorting forms from the 115 million tax returns received every year.

The goal is to increase the rate at which taxpayers voluntarily pay their taxes from the current 82.3 percent to 90 percent by 2001. Each percentage point of increase would mean

an extra \$7 billion in revenue for the Treasury, officials said.

An Internal Revenue Service executive responsible for modernization, Larry G. Westfall, said that the step would mark the most important change in 40 years in the way the agency did business.

He and other officials were quick to add that the agency did not expect to lay off workers.

Officials said they expected some workers to leave through attrition, early retirement or buyouts if Congress authorized them. But overall, they expect the agency's work force to be the same size in 2001 as it is today.

In addition to beefing up enforcement activities, the agency will redeploy some workers into taxpayer assistance efforts. The goal is to get 95 percent of taxpayer problems resolved with a single telephone call.

To accomplish these ends, the agency will do these things:

- Reduce from 10 to 5 the service centers around the United States that receive and process tax returns. The five will be renamed "submission processing centers" and will continue to receive and process paper returns. They are in Austin, Texas; Cincinnati; Kansas City, Missouri; Memphis, Tennessee; and Ogden, Utah. The other centers will remain open as "cus-

tomers service centers," although their staffs will shrink. They are in Philadelphia; Atlanta; Fresno, California; Andover, Massachusetts; and Brookhaven, New York.

- Consolidate 70 toll-free telephone and taxpayer correspondence sites into 23, including sites in Baltimore and Richmond, Virginia.
- Reduce central computerized record-keeping centers to 3 from 12.

Overall, Mr. Westfall said, the cost of the new computer systems will be about \$12 billion, but the savings through increased efficiency is estimated at close to \$17 billion over the life of the new equipment, resulting in a net savings of \$5 billion.

The retraining needed to carry out the plan will be "massive," said the president of the National Treasury Employees Union, Robert M. Tobias. Not only will the agency have to teach thousands of displaced workers new skills, it will have to do that while getting its new computers up and running.

Officials said they believed that the idea that nearly one American in five was not paying what he or she owed would cause voters to press their representatives for better enforcement.

In most cases, workers from the facilities that are being cut back will be able to switch to other IRS jobs in the same general area, officials said.

U.S. Broadens Rights For Children Abroad

International Herald Tribune

WASHINGTON — The House has adopted legislation that will significantly improve the citizenship rights of the children of Americans living abroad. It voted to ease the naturalization process for Americans abroad who adopt non-American children, and to restore citizenship to certain U.S. citizens who had lost that status.

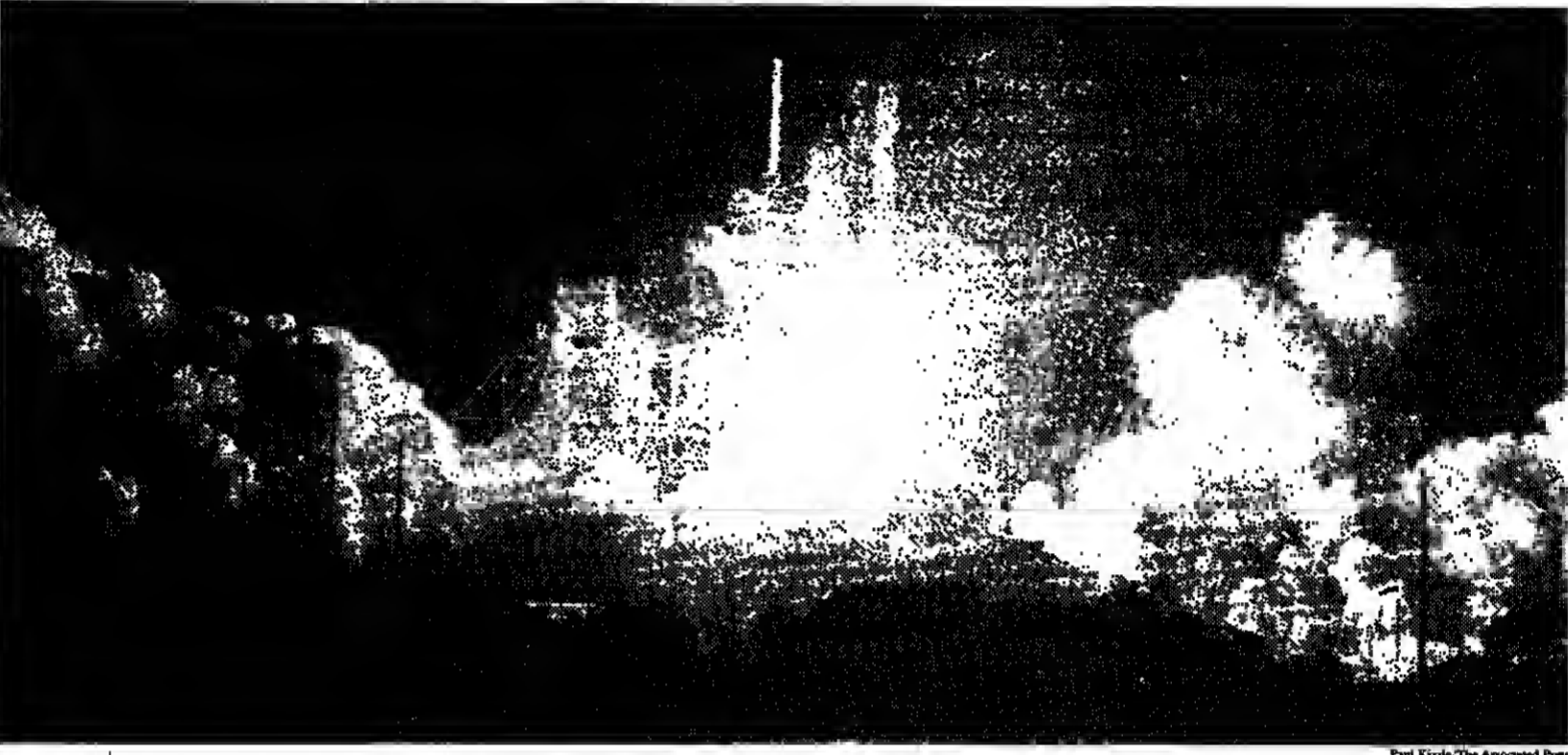
These changes had long been sought by U.S. groups abroad. Under current law, non-American children who are adopted by American parents abroad cannot be naturalized as U.S. citizens unless the family resides living in the United States.

The new rule would allow parents to apply to have their child naturalized while still abroad and then finalize the adoption through a single visit to the United States.

The second provision would reinstate about 5,000 people born abroad from 1934 to 1952. Persons in this group had been stripped of their citizenship for failing to comply with requirements that they reside in the United States for a given period of time between the ages of 14 and 19.

That section was repealed in 1978 after Congress decided that it imposed undue hardship on American families, many of whom could not afford to send their children for extended stays in the United States or were unwilling to break up their families.

The Senate had already adopted these changes as part of its own immigration reform act, and reconciliation of the two versions is expected when Congress reconvenes in January.



REPAIR CREW ON ITS WAY — The space shuttle Endeavour lifting off Thursday from Kennedy Space Center, Florida, on an 11-day mission to repair the Hubble Space Telescope. It will rendezvous with the telescope Saturday. Eleven parts are to be installed in at least five spacewalks, a record for a shuttle mission.

'Meet the President' (A Creative Artists Exclusive)

By Bernard Weinraub
New York Times Service

LOS ANGELES — Less than three months ago, President Bill Clinton played a significant role in finding common ground among Israelis and Palestinians. Just before Thanksgiving, he managed to bring together American Airlines flight attendants and the company's management.

Now Mr. Clinton is facing a standoff in Beverly Hills that might well demand his personal intervention, too.

At issue is the planning for the president's visit on Saturday to raise money for the Democratic Party in two events that are to be crisscrossed with stars and moguls.

The visit is to be Mr. Clinton's warmest embrace of the entertainment community since last spring, when the Washington-Hollywood romance got so many headlines that both sides apparently decided to cool it for a while.

Now, some of Mr. Clinton's strongest Democratic supporters here are upset over his plan to appear at a fund-raising event at the Creative Artists Agency, the most powerful talent agency, for a select group of nearly 400 people, most of them Creative Artists clients.

Many of the uninvited — types with money to burn, who want to shake hands with the president but are not clients of the agency — are shouting "discrimination."

"Clinton has gotten involved in the agency wars," said a prominent producer and Democrat who asked not to be named, and was abruptly invited to the Creative Artists fund-raiser this week, after word began to spread about the exclusiveness of the event.

The accusations of discrimination are not based on race, sex or religion, but on agency affiliation.

"Had I been invited, I would go," Jeff Berg, the chairman of the formidable International Creative Management, a major rival of Creative Artists, said fiercely. He added: "Whatever they're doing is their thing. We'll do our thing at some later moment."

Among his clients are Michelle Pfeiffer, Mel Gibson, Richard Gere and Julia Roberts, who also have not been invited.

Anna Perez, a spokeswoman for Creative Artists who joined the agency after serving as Barbara Bush's spokeswoman at the White House, insisted that an one was deliberately excluded.

"We had three weeks to get this organized," she explained. "We had to do it in the most efficient, effective way. We used the list we had in hand: CAA clients, CAA agents and executives, and friends and executives in the community. It's a wide-ranging list."

Mr. Clinton's planned afternoon and evening visit is expected to raise at least \$2 million for the Democrats. In the Creative Artists

event, nearly 400 people are expected to gather in the spectacular atrium lobby of the agency's headquarters, designed by the architect I. M. Pei. Most of these guests will pay \$1,000.

But because this is Hollywood, where the governing principle is to be a little more exclusive than your colleague, there's also a party without a party.

An ultraselect group of 60 will pay \$2,500 to chat with Mr. Clinton in an upstairs room before the main event. Upstairs guests are to include Dustin Hoffman, Geena Davis, Whoopi Goldberg and Alec Baldwin, as well as executives like Michael D. Eisner, chairman of Walt Disney Co., and Peter Guber, Sony Pictures Entertainment chairman, said Creative Artists officials.

As if the afternoon party wasn't ruffling enough feathers, the second event of the presidential visit, an evening dinner at the Beverly Hills mansion of Marvin Davis, the

billionaire oil and real estate mogul, was also causing talk.

About 170 people are expected to show up at that event, at a cost of anywhere from \$25,000 to \$100,000 a couple. The expected guests there also make up an elite list, including Steven Spielberg, Barbra Streisand, David Geffen, Frank Sinatra, Jeffrey Katzenberg, chairman of Walt Disney Studios, and Robert A. Daly, Warner Brothers chairman.

The tempest here comes at a time when Mr. Clinton has proposed an overhaul on campaign financing, seeking to limit such big-money political events.

At the moment, however, the Democratic National Committee is working under current law to raise money for voter registration and other party activities. A White House official said with an allusion to the Republican Party: "We're playing under the rules that exist today. But we won't declare a unilateral cease-fire and let the other side raise money in that way."

Haiti Prime Minister Adamant About Resigning

By Howard W. French
New York Times Service

PORT-AU-PRINCE, Haiti — In a blow to the recent diplomatic efforts to salvage a political accord in Haiti, Prime Minister Robert Malval has again said that he will resign as planned on Dec. 15.

Speaking to the nation on Wednesday before going to Washington, Mr. Malval said his talks this week with the country's military authorities had failed to make any progress in restoring democracy. He said the lack of cooperation, particularly for what he said was his total lack of cooperation, Aides to Mr. Malval said he would tender his resignation to the exiled president, the Reverend Jean-Bertrand Aristide, in Washington. Father Aristide appointed Mr. Malval on Aug. 30.

"If we have chosen to leave the scene, it is because it was the only way to get out of the crisis," Mr. Malval said. Asked after his speech if there was any circumstance under which he might be persuaded to remain, he replied,

"No way," adding only that he would continue to oversee limited administrative matters until a new government was formed.

[Speaking in Brussels, Secretary of State Warren M. Christopher said the United States would encourage Mr. Malval to stay in office past Dec. 15, Reuters reported.

"I think he's not finished the very important work that he started," Mr. Christopher said. "The United States will be giving him every encouragement, because he's part of the constitutional government that has been formed." He did not specify what Washington would do to dissuade Mr. Malval.]

Mr. Malval's resignation could be a major and perhaps final blow to a 10-month effort to restore Father Aristide to office under the terms of a negotiated settlement signed in July in New York by both the president and the army leaders who overthrew him 26 months ago.

The military commander, Lieutenant General Raoul

Cédras, refused to resign as stipulated by Oct. 15. Father Aristide was to return on Oct. 30.

Diplomats, foreign relief workers and Haitian economists say the economy is heading for a total collapse under the weight of an international oil embargo that was imposed to punish the military, as well as two years of severe economic mismanagement.

Health Decline Is Doubtful

The New York Times reported from Washington: Responding to assertions that the health of the poor in Haiti was deteriorating rapidly, a Clinton administration expert said that neither the coup two years ago nor the economic embargo aimed at returning President Aristide to power had caused significant harm.

"Right now, as best as we can tell, and I don't know anybody who has better information than we do, there is no physical evidence of a significantly worsened humanitarian situation in Haiti," said the official, who is with the Agency for International Development.

Gore, on Visit to Mexico, Sells Democratic Values

Washington Post Service

MEXICO CITY — Vice President Al Gore, using Mexico as his platform, has urged Latin American nations to take advantage of new trends toward regional economic cooperation as a way to strengthen their democratic values.

The vice president's call for renewed commitment to "democratic political culture" came three days after President Carlos Salinas de Gortari invoked the most closely held prerogative of power that a Mexican president can exercise: naming his party's candidate to be his successor as president. This virtually assures his choice will win the election.

Although he referred to democratic values at least a dozen times during the 30-minute speech, he made no direct reference to Mexico's much-criticized political system, in which the same party, the Institutional Revolutionary Party, has held power for 64 years.

In a speech before thousands of Latin American business leaders here, Mr. Gore called for an economic meeting of leaders of the "Western Hemisphere community of democracies" next year, probably in the United States.

Administration officials said they were unsure exactly which nations would qualify as democracies and be invited. Among problematic countries, a senior administration official said, were Haiti and Peru, where President Alberto Fujimori has maintained an iron grip on power since he suspended the constitution and dissolved the legislature in April 1992 with military backing. Cuba definitely would not be invited, the official added.

Mr. Gore urged greater hemispheric coordination on economic, environmental and cultural issues, referring to the North American Free Trade Agreement "as a starting point for dealing with the common challenges of the Americas."



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GATT: An Outline Accord on Agriculture Reported

Continued from Page 1

should be sellable in France. "We believe we can provide the kind of package that not only the Community will sign on to but everyone in the Community will be satisfied with," he said.

The U.S. secretary of state, Warren M. Christopher, was to review the outline agreement with his French counterpart, Alain Juppé. Both men were in Brussels for a ministerial meeting of the North Atlantic Treaty Organization.

Mr. Juppé told reporters Thursday that he had received "only vague and general" details on the state of negotiations, adding that the basis for agreement was still lacking in several fields.

Mr. Kantor, meanwhile, paid homage to Mr. Christopher, saying he had played a major role in encouraging European flexibility in talks here Wednesday with Sir

Leon and Jacques Delors, president of the EC Commission. Mr. Christopher's statement that a failure in the trade talks would harm trans-Atlantic ties — which was regarded here as a veiled warning that Washington could reduce its security commitment if Europe wasn't more forthcoming on trade — were "impressive" and "extremely helpful," Mr. Kantor said.

Sir Leon also was to begin selling the package at a meeting of EC foreign ministers Thursday evening.

The ministers also were to review Sir Leon's proposal to defend Europe's movie and television programming industry from further encroachment by Hollywood, but American officials said that plan remained unacceptable. Washington's main concern is to prevent Europe from erecting barriers to future avenues of programming

distribution such as satellite and pay-per-view, which are expected to grow rapidly at the expense of conventional television broadcasting.

Mr. Kantor made it clear that this issue was a potential deal breaker. Asked if the two sides could reach an agreement by leaving out audio-visual products, he said, "It will not be left aside as far as we're concerned."

He also dug in his heels on the matter of dumping, saying draft GATT trade rules must be amended to allow the United States to keep its tough anti-dumping legislation.

Officials did not disclose any details of their talks on industrial tariffs, specifically U.S. demands to eliminate tariffs on items including electronics, wood and paper products and nonferrous metals, and Europe's demands for big cuts in high U.S. textile tariffs.

NOTORIOUS: Painful Secret

Continued from Page 1

Fund. There are two immediate items on the group's agenda. First is to change the name of the street where Sacher-Masoch was born from Copernicus Street to Masoch Street. "Copernicus was a very neutral guy. He was just a scientist," said Mr. Podolchak.

Second is to erect a statue in Sacher-Masoch's honor, after an exhaustive international competition among sculptors. Further down the road, Mr. Podolchak also dreams of a museum.

So far, though, there seems to be no great groundswell of support for removing the street name of Poland's greatest astronomer and replacing it with that of Austria's greatest deviant. And as for the statue, it has not quite captured the public's imagination.

One city council member declared that the statue would be erected over his dead body. "He said, 'Once again, as during the Soviet Union, there are people who want to turn Ukrainians into a nation of masochists,'" Mr. Podolchak recalled.

As for whether his group practices, or advocates, masochism, Mr. Podolchak is not saying. Still, a visitor to his studio can be forgiven for wondering. His paintings — large, dark, disturbing canvases — are filled with pieces of torsos and dismembered limbs. A naked, broken plastic doll hangs by a noose from a ceiling pipe.

Mr. Podolchak says it is "not important" whether he has dabbled in masochism or not. "Many people can try various things, and they may be partly masochists or partly sadists," he said. "I'm not interested in whether someone's tried it or not. I'm interested in his part in culture, his influence on culture."

OPINION

INTERNATIONAL **Herald Tribune**

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Wake-Up Signals in Japan

Japan's alarming stock market, with its downward swoops and fainting spells, is signaling severe economic distress. Like other rich countries, including the United States, Japan is having trouble regaining its balance after the great boom of the 1980s. While it has the resources to resume stable growth, it has been reluctant, for peculiarly Japanese reasons, to use them vigorously and effectively. The Japanese boom was not generated by budget deficits, as in the United States, but rather by extraordinarily low interest rates. They resulted in the massive overbuilding of industry from which Japan now suffers. They also generated a tremendous wave of speculation in stocks and real estate. When the government tried to touch the brakes lightly last year, the whole bubble collapsed, and the stock market dropped by nearly two-thirds. The banking system, which had been making the loans that kept the speculation going, was badly hurt. The Diet responded with a stimulus program, and by the end of last winter there was hopeful talk of recovery. But the stimulus turned out to be inadequate, the hopeful talk has faded, and through this autumn the stock market has been falling again. Japan has now been in a recession for a year and a half. With their domestic market weak, Japanese companies are desperately trying to

push exports, and the country's trade surplus is enormous and growing. That is why the yen's exchange rate has risen in the past year, making Japanese goods more expensive abroad and harder to export. The country is beginning a downward spiral which, if it is allowed to run its course, will do great damage—and, since Japan is the world's second most powerful economy, the damage would not be limited to Japan alone. The remedy is old-fashioned stimulus, like those already attempted but on a larger and much more vigorous scale. Unlike the other rich countries, Japan has plenty of latitude both to cut interest rates and to increase public spending. Why hasn't it happened already? Perhaps one reason is that Japan's technocrats are accustomed to dealing with an extraordinarily strong and buoyant economy that in the past has not needed much stimulation. But more important, the Japanese political world has been gripped by the great scandal that brought the downfall of the ruling party last summer and the emergence of a new government focused entirely on political reform. In that respect, the latest lurch of the stock market this week may turn out to have been useful. It was the most compelling kind of attention-getter.

—THE WASHINGTON POST.

Rangoon Goes Too Far

Even diplomats inclined to give maximum scope in sovereign governments have a hard time defending the widespread human rights abuses committed by Burma's State Law and Order Restoration Council. Yet that is what Asian countries like Singapore and Thailand are now doing by seeking to water down a United Nations resolution aimed at discouraging flagrant violations of human rights. Western countries like Britain, France and Sweden are quietly hoping to see Asian pressures. The Clinton administration, to its credit, refuses to go along. In a five-year reign of terror, soldiers have gunned down thousands of unarmed civilians, marched defenseless students into hostile fire as military porters, bludgeoned Buddhist monks into submission and driven a quarter-million Muslims from their homes by rape and terror. Decisively repudiated in elections three years ago, the State Council brazenly ignored the vote and continues to hold the opposition leader and Nobel laureate Daw Aung San Suu Kyi under house arrest. Selling arms to such a government to use against its own people is reprehensible. Even business deals that finance such arms pur-

chases are offensive. The UN resolution will not propose anything so strong as a formal arms embargo. But Washington at least wants to call attention to the military's repressive role, to urge UN agencies in Burma to limit their cooperation with military authorities and to press for appointment of a UN special envoy. If the final draft does not include these provisions, the United States will refuse to co-sponsor the resolution. Washington can also act on its own. The administration has just reviewed U.S. policies toward Burma and is ready to announce new steps. These might include tighter restrictions on U.S. trade and investment, including oil exploration contracts. But unilateral sanctions can put only limited pressure on the State Council. More effective action requires cooperation from Thailand, Japan and China. The need for international consensus justifies some compromising on human rights goals. But Burma's case is extreme, and the compromises sought by Asian friends of the State Council go too far. The Clinton administration honors American and United Nations principles by resisting.

—THE NEW YORK TIMES.

The Point About Rushdie

President Bill Clinton did a brave and decent thing in meeting last week with Salman Rushdie, which he muddled by seeming to apologize for it. Mr. Rushdie has been under an Islamic death threat since 1989, because a book he wrote was deemed blasphemous by Ayatollah Ruhollah Khomeini of Iran. A White House statement in February made the fundamental point, which cannot be repeated too often: "We do not believe that people should be killed for writing books." The president's meeting with Mr. Rushdie was denounced by some Islamic groups as an insult to their religion, which prompted Mr. Clinton to waffle needlessly in off-the-cuff remarks on Tuesday, saying that he "meant no disrespect" to Muslims in spending "a couple of minutes" with the novelist. He lost a chance to make the important point that the Rushdie affair is less about religion than about political manipulation. Indeed, Mr. Rushdie is only one of many people threatened by violence in a power struggle within and outside Iran. The timing of the late ayatollah's fatwa, or death edict, makes the point. An eight-year war with Iraq had just ended, and among the ruling mullahs there were voices urging conciliation with the West. Determined to keep Iran on its radical course, Ayatollah Khomeini reasserted his leadership by igniting a global furor over

Mr. Rushdie, who was accused of promoting a "Western plot" against Islam. The debate ended and the radical faction prevailed. After the ayatollah's death, his successors used the same technique, always invoking religion to silence dissent. The repressive system is described in detail in a recent Middle East Watch report, "Guardians of Thought." Violent, extrajudicial censorship censors writers and artists, journalists and filmmakers. The report explains how this is done: "Gangs of motorcycle riders or other vigilantes trash magazine offices and publishing houses and threaten lives as self-proclaimed enforcers of the law, in the name of protecting Islamic values. This they do with the evident tolerance of the authorities, without fear of prosecution." Thus all Iran, with its rich cultural legacy, suffers from the Rushdie treatment. The mullahs who order or condone the overseas killing of prominent Iranian exiles, and of Mr. Rushdie's translators, practice the same methods at home. To say that this defiles the Islamic faith is like equating the Inquisition and witch-burnings with Christianity. Unlike George Bush, who banned any contact with Mr. Rushdie, Mr. Clinton grasps the larger meaning of the author's plight. He owes no apologies to the great majority of Islam's nonviolent adherents.

—THE NEW YORK TIMES.

Other Comment

An Hour a Week for the World

Ten months into the Clinton administration and after weeks of delicate haggling, the ever patient Secretary of State Warren Christopher finally was able to get his boss, the president, to agree to start spending one hour a week—one hour a week!—confering with his top foreign policy advisers about the state of the world and the United States' role in it. The president, by law and precedent, is in charge of shaping the nation's foreign policy and conducting its foreign relations. There is a worrisome sense in Washington and in other capitals that Mr. Clinton has not been working hard enough to meet this compelling responsibility. When all is said and done, it remains up to the president to chart the course. A president who can't find the time to work with his top advisers to devise a strategic concept is not going to be an effective navigator.

—Los Angeles Times.

An Alliance for Tomorrow

Adapting to the post-Cold War world has not been easy for the North Atlantic Treaty Organization. The disappearance of the Soviet threat robbed it of its raison d'être. Disunity and bickering blocked it from responding to new threats, such as the conflict in Bosnia. Now, NATO has to contend with Russia's objections to an expansion of its membership. Since Russia's war-fighting capacity has declined, there is no urgent need for NATO to extend its umbrella to the Central European states. More significant is the issue of changing the character of NATO. Moscow seems in no mood to cooperate with NATO on peacekeeping unless the alliance ceases to exist as a military bloc, which is unlikely to happen. At a minimum, the grouping must keep its members together. Otherwise, historical rivalries and nationalistic tendencies could resurface.

—The Straits Times (Singapore).

When the Worst Just Keeps Dragging On

By Flora Lewis

PARIS—On the far side of tragedy, when the worst keeps happening, lies black fate. It becomes fatter when the United Nations has to beg and wheedle, bribe and induce the war leaders for permission to deliver food and medicine, occasionally, to Bosnians caught in their fight. It becomes fatter when soldier-gangsters on opposing sides bombard civilians during the day, and meet at night on the bridge that divides Sarajevo into Muslim- and Serbian-dominated areas to make black market deals that keep them in the war business. As the massacre and misery drag on, the social fabric decays and people emerge with a vested interest in keeping it going. Regardless of terms, peace offers no personal advantage to such people. They may give it lip service, but it isn't their felt need. It becomes fatter when the endlessly willing European mediator David Owen, his diplomatic arsenal of inducements and threats long bankrupt, resorts to his last ultimate threat—recommending that the United Nations pull out altogether after the winter if there is no settlement. The civilians, many of them pressed helplessly into uniform, are not bystanders but tools and pawns of the war-mongers. Their distress is not an unfortunate consequence, a sorrowful side effect of war but a weapon to be used and manipulated along with the guns. There is nothing else going on in Bosnia, a Western aid worker told me, no industry, no reconstruction, nothing but war. The army and the paramilitary gangs that do or do not take orders—

who knows if the leaders even try to keep the promises they spout in international meetings?—are one of the best chances in get food. Last month, the driver of a UN relief truck was shot by hungry and frustrated Bosnian soldiers near Zenica, in central Bosnia, as he tried to deliver supplies to the beleaguered town, quite possibly to the soldiers' own families. Last Monday, the authorities in Zenica, which had an ethnically mixed population of 145,000 before the war, announced with "great sadness" that they were abandoning the effort to maintain a mix. Since it is mainly Muslim, they said, they would no longer try to discourage Serbs and Croats from leaving. It means that whether or not Bosnia retains some kind of legal unity, partition into ethnic states is being completed. President Alija Izetbegovic, who argued so long for Bosnian integrity, has suggested in a speech that it may now be too late to maintain a multiethnic state. A UN official in Sarajevo said that most Serbs and Croats would probably flee the city now if that is permitted. Just a few months ago, they wanted to stay. Fikrit Abdic, a wheeler-dealer businessman in Bihać, has declared the bit of Bosnia which he controls independent. His cohorts are engaged in a sputtering fight with their former comrades in the Bosnian army even as he uses his stocks to make profitable deals with Serbian and Croatian authorities nearby. The question is whether there is anything left

to save but lives. Principles have gone. The Hungarian-American philanthropist George Soros, who has made an enormous effort for Sarajevo, said after a recent visit that it had become a huge concentration camp that the United Nations was helping to sustain. UN officials concede that where they have been allowed to build roads to deliver humanitarian aid, it is because the combat forces consider it useful for their military operations, too, and they can and do out the roads when they choose. But pulling out, said a UN aid worker, has to be considered from a cost-effective viewpoint as well. It would probably generate a million more refugees. It takes \$16,000 a year to support one in Sweden, and humanitarian aid in Bosnia is much cheaper, some \$900 million a year, not counting the cost of UN forces. It has come down to that—grocery bills. Not long ago, some Yugoslav friends—there are still some people who consider themselves Yugoslavs—were arguing about whether or not peace should be made at any price. One talked passionately about the sheer human erosion of another winter of war, when people have run through their resources, including bodily stamina. Others talked about the disaster of endorsing aggression and crime by giving in, what it means for the future. The theme was familiar. It echoed the talk of the 1930s, Munich, Czechoslovakia and all that. There is no longer a good answer. But it is time to ask whether just going on isn't the worst of the various bad ones.

© Flora Lewis.

Trouble to Come if Yeltsin Can't Build Consensus

By Alexei K. Pushkov

MOSCOW—Although Boris Yeltsin seems to have a lead over his rivals, his era may end in disaster, possibly in dictatorship. As the Dec. 12 parliamentary elections approach, the main question is not whether President Yeltsin is a true democrat in his heart but whether his brand of soft authoritarianism will bring Russia closer to a functioning market economy and political stability. The West tends to give Mr. Yeltsin virtually unconditional support for it sees him, in Secretary of State Warren Christopher's words, as "the best exponent of democracy and progress in Russia." It evidently closes its eyes to his deviations in hopes that he will create the conditions for democracy. There is nothing wrong with the premise that political stability coupled with a free market is the key to economic reform. But there are serious doubts that Mr. Yeltsin can bring it about. He deserves admiration for his strength, courage and stubborn resolve to reform Russia. But he is not much of a democrat. His reforms have been mainly limited to liquidating the remnants of the old system. He is the Demolition Man of the '90s—the Terminator of the Communist system.

Russian Center for Public Opinion shows that anti-Yeltsin democrats may win as much as a third of the vote. Some analysts think that the Communists, who have rallied a number of nationalist and hard-line parties, may win 10 to 12 percent. The countryside, which is generally not polled but accounts for 38 million of the 106 million eligible voters, will probably vote conservative and give part of its vote to the Agrarian Union, representing the old farm lobby. If so, the Communists and the Union could become the nucleus of a wider nonparliamentary protest against reforms, which are bound to seriously erode the living conditions of a growing part of the population. Mr. Yeltsin's economic reforms cannot succeed without a nationwide consensus. But he seems ill-suited to

lead such a consensus. His democratic opponents stress his erratic political behavior, such as giving and then withdrawing a pledge to conduct a presidential election next June 1994 and then saying it still might take place. He has caused dismay by threatening to cut off the free television broadcasts of electoral blocs if their leaders use the air time to attack the draft constitution. This threat, along with a proposal on Tuesday by Vladimir Shmechko, a deputy prime minister, to ban the Communist Party and the Democratic Party of Russia for urging a vote against the draft constitution and for their sharp criticism of the president, was widely seen as a further indication of President Yeltsin's authoritarian tendencies. Many reformers were appalled by



By ZW in Altkhamb (Stockholm), CAW Studios

Free Advice to Russians: Split the Vote

By William Safire

WASHINGTON—The Russian legislative election and constitutional referendum in two weeks from the finish line. The main issue is getting so little notice in the United States is that Americans don't know who or what to root for. We will remedy that today. Boris Yeltsin's name is not on the ballot (he will run again for president when he feels like it), but his prestige is on the line behind the draft constitution. When Alexander Hamilton, another advocate of executive power, faced

own Minister Andrei Kozyrev are on this list, along with Mr. Yeltsin's James Carville, Granddaddy Boris; if they capture a third of the seats, that's a big win for Mr. Yeltsin. 2. The Democratic Opposition is the way Jeffrey Gayer of the Heritage Foundation's Moscow office describes this alignment in his handy-dandy "Who's Who in the Russian Elections": Grigori Yavlinsky, the "300-days" economist ignored by Mikhail Gorbachev, is a fearless critic of Mr. Yeltsin's authoritarianism and will oppose him for president someday, but looks like a card-carrying intellectual. His bloc is allied to the reformers in St. Petersburg led by Mayor Anatoli Sobchak. The Demops are shooting for a fourth of the seats. 3. Civic Union, the name adopted by the apparatchiks and industrial managers to replace the discredited Communist label, Alexander Rutskoi was their hero until his putsch came to shove; Arkadi Volynsky, who started as a speech writer for the KGB's Yuri Andropov, solidifies on with the self-styled "pragmatists" aligned with the less anti-Yeltsin Russian Democratic Party headed by Nikolai Travkin, plus environmentalist and youth parties.

4. The Old Guard, which frequently surrenders but never dies. A vigorous Gennadi Zyuganov has reorganized the Communist Party of the Russian Federation; his loyal but small cadre has a deal with Mikhail Lapsin of the Agrarian party to fight privatization, and the collectivized farmers have a lot of votes. In the cities, Vladimir Zhirinovskiy of the (liberal) (un)Democratic Party is the fascist candidate who picks up support promising free vodka. O.K., time to go and vote. Bill Clinton is rooting for a "yes" vote on the constitution and the election of delegates from the Yeltsin group, Russia's Choice. So are most U.S. establishmentarians who thrilled to Mr. Gorbachev and decided Mr. Yeltsin was a better bet. If I were Russian, I would reject the old Communists but still split my vote: say "no" in the mystery constitution, and then vote for a pro-Yeltsin legislative candidate. Or say "yes" to the constitution and then choose a candidate from the democratic opposition, to encourage Mr. Yavlinsky and restrain Mr. Yeltsin. It is a gamble. If both the constitution and Russia's Choice lose, we are all in the soup. But checks and balances are the essence of democracy; let us root for what we stand for.

The New York Times.

Yeltsin Isn't the Only Show Anymore

NOW THAT Boris Yeltsin has become the undisputed and unresisted ruler of his country, the soul-searching has begun: Can democratic ends be achieved by undemocratic means? Bill Clinton was right to give Mr. Yeltsin his unreserved support during the days of dramatic confrontation, when the fate of democracy in Russia was at stake. But now? Why? Post-October Russia has no parliament and no constitutional court. Some opposition parties are banned, some opposition newspapers closed, the electronic media under tight control. Many former Soviet republics are being forced to join the so-called Commonwealth of Independent States. The draft of the new constitution was written and rewritten not by the Founding Fathers of New Russia but by the Yeltsin inner circle. The new parliament will have no say in this matter. The new constitution will be adopted by a "people's referendum." But how can 150 million citizens decide in a few days on this most complicated and fateful issue? The only real checks and balances in Russia are Mr. Yeltsin's personal qualities and inclinations. With the disappearance of the hard-line opposition, Mr. Yeltsin has lost scapegoats for setbacks in the quest for democracy and prosperity. Now he will have nobody to kick around except himself. And if he fails, he will face the choice either of resigning or usurping power. Russia is in a profound transition, and all its leaders are transitional figures. None is irreplaceable, not even Mr. Yeltsin.

Melior Sturua, a political columnist for Izvestia, in The Washington Post.

Just Stop Coddling Mothers?

By William Raspberry

WASHINGTON—Charles Murray is drumming in a way other social iconoclasts are not. Patrick Buchanan, Ralph Nader, Al Sharpton, Ross Perot—all these can be embraced as prophets or dismissed as dangerous ideologues. But Mr. Murray, a fellow at the American Enterprise Institute, begins where you and I stop: He says you would never go. Even when you see where his train of thought is headed, you may fail to find an easy place to get off. He begins his recent Wall Street Journal article in a particularly beguiling way: by citing statistics suggesting the rapid development of a white underclass, bigger and more disruptive than the much analyzed black underclass. We all know that out-of-wedlock births were up among whites—now about 22 percent of all births in white mothers. But the story lies in other numbers. "Murphy Brown" notwithstanding, women with college degrees account for only 4 percent of illegitimate births among whites. The bulk of those births—82 percent—are to women with a high school education or less. Fully 44 percent of births to white women who were below the poverty line the year before they gave birth are illegitimate. This illegitimacy begets illegitimacy—and crime, violence, school failure and other social ills. Thus, the anticipated emergence of a large white underclass. That is where he starts. Here is where he goes: to cutting out welfare, leaving poor women to scuffle to take care of their own children, or, if they cannot to place them in orphanages. Nobody wants that. But listen: "Bringing a child into the world is the most important thing that most human beings ever do. Bringing a child into the world when one is not emotionally or financially prepared to be a parent is wrong. The child deserves society's support. The parent does not. The social justification is this: A society with broad legal freedoms depends crucially on strong nongovernmental institutions to temper and guide the exercise of those freedoms. It is paramount. Either we reverse the current trends in illegitimacy—especially white illegitimacy—or America must, willy-nilly, become an unrecognizably authoritarian, socially segregated, centralized state." And how would he reverse illegitimacy? The old-fashioned way: by letting such improvidence be its own punishment. Societies historically have added some stigma to the economic difficulties of misfits consisting of a single woman and her children. Our mistake, says Mr. Murray, has been to remove both types of sanctions. To restore the economic stigma, he would end Aid to Families with Dependent Children, or welfare, along with most other benefits, including subsidized housing and food stamps (but not health insurance). The social stigma will follow. And here is where you get off Mr. Murray's train. Or is it? He won't have much trouble convincing you that while welfare may not cause illegitimacy, it surely subsidizes it—or that it is absurd to expect to subsidize a behavior and yet decrease its prevalence. You are also likely to agree that a lot fewer single women (and girls) would have babies if welfare were not an option. But you won't let babies starve in order to teach mothers a lesson. Neither would Mr. Murray. Listen: "How does a poor young mother survive without government support? The same way she has since time immemorial. If she wants to keep a child, she must enlist support from her parents, boyfriend, siblings, neighbors, church or philanthropies. She must get support from somewhere, anywhere, other than the government." And then, according to his theory, the whole cycle repeats itself. Enlisting the support of others increases the likelihood that a responsible adult will be involved in the child's upbringing. The difficulties that befall the young women who get pregnant anyway will serve as a deterrent to their siblings, cousins and peers. All these things together will regenerate stigma. And if none of it works, and the mother is unable to take care of her child? The last stop is adoption and what Mr. Murray euphemistically calls "24-hour pre-school" orphanages. I could raise my objections and disagreements with at least some of what Mr. Murray says, but I think I will wait, hoping that his unreserved analysis will draw the rest of us into a desperately needed debate.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO.

1893: Painting the Town

LONDON—The members of Christ Church, Oxford, who were supposed to attend the ball given at Blenheim Palace on Friday night [Dec. 11] to celebrate the coming of age of the Duke of Marlborough, were not allowed to do so except under conditions which they declined to accept. In the small hours of the morning they gave evidence of their indignation by painting the doors of several of the domes residences. The paint used showed a variety of colors. On the pavement outside the Cathedral was painted in large letters "God bless Marlborough, — the Dons."

1943: Marseilles Blasted

ALLIED HEADQUARTERS, ALGIERS [From our New York edition] Marseilles was bombed for the first time today [Dec. 2] when a strong force of American heavy bombers of the Northwest African Air Force dropped its loads on submarine pens and construction facilities in the harbor. The raid was made by Flying Fortresses of the 15th Air Force, which made the trip to the French coast to strike the submarine facilities which have been under construction for several months and which were just nearing completion at the time of the raid.

1918: Berliners Plotting

LONDON—A telegram from Amsterdam to the "Daily Express" says that a plot for the restoration of the Empire and the return of the Kaiser had been discovered in Berlin. The principal conspirators are said to be Marshal Mackensen, General Von

OPINION

The CIA Drug Connection Is as Old as the Agency

By Larry Collins

LONDON — Recent news item: The Justice Department is investigating allegations that officers of a special Venezuelan anti-drug unit funded by the CIA smuggled more than 2,000 pounds of cocaine into the United States with the knowledge of CIA officials — despite protests by the Drug Enforcement Administration, the organization responsible for enforcing U.S. drug laws. That is a huge amount of cocaine. But it was hardly a first for the CIA. The agency has never been above using individuals or organizations with known links to drug trafficking if it thought they could help it further its national security mission.

Let us put the Venezuelan case in context: To protect its "assets" abroad, the CIA has ensured that the DEA's concerns outside the country were subordinated to its own. Until recently, no DEA country attaché overseas was allowed to initiate an investigation into a suspected drug trafficker or attempt to recruit an informant without clearance from the local CIA station chief.

DEA country attachés are required to employ the standard State Department cipher, and all their transmissions are made available to the CIA station chief. The CIA also has access to all DEA investigative reports, and informants and targets' identities when DEA activities outside the United States were involved. In Costa Rica, when the war against Nicaragua's Sandinista government was at its peak and cocaine was beginning to pour into the United States, the DEA attaché airstrips from which he suspected drugs were being flown to the United States. The CIA resident gave him a list of airstrips on which he was not to place cameras. They were the strips into which the CIA was flying arms for the contra. Some were also strips from which the DEA agent suspected drugs were being flown to the United States.

Shortly after the kidnapping and brutal murder of the DEA's Enrique Camarena in Mexico, Francis Mulren, the DEA administrator, was taken by the CIA station chief in Mexico City to Mexico's director of federal security, a man who, the station chief confided, was a CIA asset. The gentleman, Mr. Mulren told me, denied any knowledge of the affair. He was lying. A DEA investigation revealed that he had been connected — a man on the CIA payroll, no less — to the murder of a U.S. federal agent.

CIA ties to international drug trafficking date to the Korean War. In 1949, two of Chiang Kai-shek's defeated generals, Li Wen Huan and Tuan Shi Wen, marched their Third and Fifth Route armies, with families and livestock, across the mountains to northern Burma. Once installed, the peasant soldiers began cultivating the opium they knew best, the opium poppy.

When China entered the Korean War, the CIA had a desperate need for intelligence on that nation. The agency turned to the warlord generals, who agreed to slip some soldiers back into China. In return, the agency offered arms. Officially, the arms were intended to equip the warlords for a return to China. In fact, the Chinese wanted them to repel any attack by the Burmese.

Soon intelligence began to flow to Washington: from the area, which became known as the Golden Triangle. So, too, did heroin, en route to Southeast Asia and often to the United States. If the agency never condoned the traffic, it never tried to stop it, either. The CIA did, however, lobby the Eisenhower administration to prevent the Bureau of Narcotics and Dangerous Drugs, the DEA's predecessor, from establishing monitoring posts in the area to study the traffic. Today, the Golden Triangle accounts for about half the heroin in circulation in the world.

During the Vietnam War, operations in Laos were largely a CIA responsibility. The agency's surrogate there was a Laotian general, Vang Pao, who commanded Military Region 2 in northern Laos. He enlisted 30,000 Hmong tribesmen in the service of the CIA.



everything the DEA had on Mr. Noriega. The material has disappeared. Shortly after General Torrijos's death in a mysterious airplane crash, Mr. Noriega, with CIA assistance, took command of the Panama National Guard. No one in the Reagan administration was prepared to do anything about the Noriega drug connection. As Norman Bailey, a National Security Council staff member at the time, told me, "The CIA and the Pentagon were resolutely opposed to acting on that knowledge, because they were a hell of a lot more worried about trying to keep Panama on our side with reference to Nicaragua than they were about drugs."

Nowhere, however, was the CIA more closely tied to drug traffic than it was in Pakistan during the Afghan War. As its principal conduit for arms and money to the Afghan guerrillas, the agency chose the Pakistani military's Inter-Services Intelligence Bureau. The ISI in turn steered the CIA's support toward Gulbuddin Hekmatyar, an Islamic fundamentalist. Mr. Hekmatyar received almost half of the agency's financial support during the war, and his fighters were valiant and effective. But many of his commanders were also major heroin traffickers.

As it had in Laos, the heroin traffic blossomed in the shadows of a CIA-sustained guerrilla war. Soon the trucks that delivered arms to the guerrillas in Afghanistan were coming back down the Khyber Pass full of heroin.

LETTERS TO THE EDITOR

Talking Won't Help
Regarding the report "EC Agrees to Use Appropriate Means To Get Aid to Bosnia" (Oct. 30):

The European Community leaders have made a brave new statement concerning Bosnia: "We must lift the obstacles to free access to humanitarian aid." To make clear their resolve, they even promise "the use of all appropriate means to support the delivery" of such aid. This sounds impressive. Have our leaders finally decided to do something serious about the genocide next door?

nothing. We have all learned at least one thing from this war: No amount of talking will stop it or even slow it down.

GUY KERVYN, Brussels.

The Croatian Record

Regarding the editorial "Bad Memories of Croatia" (Nov. 16):

Some foreign journalists have criticized Croatia for its alleged drift toward neo-fascism. A number of well-meaning television and newspaper correspondents have accused the Croatian president, Franjo Tudjman, of reviving the Ustashe-fascist legacy of World War II Croatia. This hearsay flies in the face of the truth and needs to be rejected.

To suggest, as the Nov. 16 editorial does, that the Croatian Ustashe slaughtered only "tens of thousands of Serbs and Jews" during World War II is an insult to those who perished and to those who survived their terror — a sin in the claims by Nazi revisionists that Hitler didn't really exterminate 6 million Jews. Documented evidence indicates that the Ustashe slaughtered 750,000 Serbs, Jews and Gypsies on the territories of Croatia and Bosnia and Herzegovina.

STANISHA OGNJANOVICH, London.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

The Court Allows the Thief To Make Out Like a Bandit

By Richard Cohen

WASHINGTON — In 1984, Bernard McCummings, then 23, joined with two other men to mug a 72-year-old man named Jerome Sandusky in a New York subway station. Mr. Sandusky was hit, choked and pinned to the ground, but his cries were heard by two policemen. One of them, Manuel Rodriguez, shot Mr. McCummings twice. On Monday, the Supreme Court let stand a \$4.3 million award for Mr.

an unacceptable resolution of the factual disputes." With that, the court upheld the \$4.3 million payment from Mr. Rodriguez's employer, the New York City Transit Authority.

MEANWHILE

McCummings (yes, Mr. McCummings) had won on the ground that excessive force was used. The court turned down the appeal without comment. Allow me. The courts had to deal with some difficult facts. The ones in this case clearly suggest that Mr. Rodriguez broke the rules. Since 1984, New York police guidelines say that guns should be used only defensively. Moreover, they cannot be used to stop a fleeing felon "unless there is probable cause to believe a felon will use deadly force." None of those requirements was met in the Mr. McCummings case.

Given the law, the state appeals court and the Supreme Court had no choice but to hold their eminent noses and uphold the jury's verdict. That does not mean, however, that New York and the rest of us should not reconsider the guidelines on use of deadly force. The risk with that, of course, is that the police might abuse their power — it has happened, sometimes with fatal consequences — or that an innocent person will be shot. And what applies to suspects also applies to passers-by.

The McCummings case, by its individual circumstances aside, illustrates that something has gone out of whack in America's criminal justice system. One side, the police, is supposed to play by certain stringent rules; the other side, the crooks, can do what they want. Mr. McCummings was not really unemployed. His trade was robbery and it is likely that he, like any businessman, knew how to run his business. He probably knew that New York cops are not permitted to shoot a fleeing felon. They need to catch him — easy enough in the movies, harder in real life. The race usually goes to the fleet of foot, which is to say, a 23-year-old unencumbered by flashlight, ticket book and the burdens of middle age — a certain roundness and visions of a family back home. In some jurisdictions, similar rules apply to high-speed auto chases. They are not permitted unless a serious crime has been committed.

In fact, the trial jury agreed that Mr. McCummings had been shot in the back. Blood stains indicated that he had run to the top of the subway station's stairs and was nowhere near the police officer when he was wounded. There was even some question that the officer had witnessed the crime. One fact, though, is beyond dispute: Mr. McCummings's spine was severed, leaving him paralyzed from the chest down.

The New York State Court of Appeals found its hands tied. This was a civil suit, the court said, and it "could not avoid what may to some seem to be

But if they were — if, say, felons knew that cops could shoot them if they fled — more of them would likely freeze and put up their hands. More than that, criminal behavior should not be treated as if it were some sort of quasi-legitimate enterprise, governed by the laws of negligence. It is painful that Mr. McCummings was paralyzed, but he was as much a victim of his own criminality as he was of a violation of the rules regarding the use of deadly force. Once he chose to break the law — once he chose to become a menace to society — he was not entitled to be compensated by it.

The law has it only half right: Mr. McCummings did not deserve to be come paralyzed, but he did not deserve one red cent either.

GENERAL NEWS

Francis Dale, Publisher and Envoy, Dies

CINCINNATI — Francis L. Dale, 72, a former publisher of Cincinnati and Los Angeles newspapers, U.S. ambassador and professional sports executive, died of a heart attack Sunday while visiting in Victoria Falls, Zimbabwe. Mr. Dale was publisher of The Cincinnati Enquirer from 1965 to 1973. He was president of the Cincinnati Reds from 1967 to 1973 and instrumental in forming the group that bought the football franchise for the Cincinnati Bengals.

David H. Majestic, 61, the concertmaster of the Cleveland Orchestra since 1969, died of prostate cancer Sunday in Euclid, Ohio. The violinist performed as a soloist with the orchestra more than 100 times and made many recordings with it.

David Houston, 57, a country and western singer who won a Grammy award for his song "Almost Persuaded," died Tuesday in Bossier City, Louisiana. Officials said the Grand Ole Opry star never regained consciousness after suffering a ruptured brain aneurysm Nov. 25. His popular tunes included "Already It's Heaven," "You Mean the World to Me," and "Can't You Feel It?"

John Smart, 88, a retired New York publisher, philanthropist and former chairman of Esquire Inc., died Monday in Greenwich, Connecticut, after a stroke. He and his brothers, David and Alfred, founded Apparat Arts, a trade publication, in 1931. That was followed by Esquire. In the 1950s, he converted Apparat Arts into the Gentleman's Quarterly. Esquire Inc. was acquired by Gulf and Western in 1983.

Robert A. Wands, 84, a photographer of major events near the end of World War II, died Friday in Sarasota, Florida. He took the picture of Truman, Churchill and Stalin sitting together at the Potsdam conference in Germany. He also photographed the Japanese surrender on the Missouri in Tokyo Bay.

In Ukraine, the New Blue-Yellow Military Struggles With Its Red Legacy

By Douglas Jehl

HIROV, Ukraine — For the paratroopers of the 39th Air Assault Brigade, the hilltop compound in Hirov would have been the jump-off point for a Soviet invasion of Western Europe. Now it belongs to Ukraine, which is trying to shape remnants of the Soviet Army into a force it can truly call its own.

In Kiev, Colonel General Ivan Bizhan, the defense minister, described Russian territorial claims in the Crimea as "the most dangerous situation" now faced by his country. But while every soldier and officer in his army has sworn allegiance to Ukraine, enduring loyalties to the old regime make it unclear exactly what that means.

Even officers like Colonel Koval, 37, who led the effort to maintain the paratrooper base in Ukrainian hands, say it is all but impossible for them to conceive of hostilities between the countries. "Even now, we do not regard them as our enemies, even our theoretical enemies," he said. A graduate of an elite Moscow military academy, he is now in charge of training Ukrainian conscripts to swell the ranks of the airborne force.

attitude and expense still benefit an empire better than a new state. Within the old Soviet Carpathian and Odessa military districts, little has changed beyond their new names as Ukraine's Western and Southern commands. Any major redeployment is regarded as prohibitive in cost, leaving the 20 army divisions in Cold War posture.

A new military doctrine has been drafted, but it remains to be ratified by parliament. The question of whether soldiers' old loyalties can be similarly revamped is an even more powerful concern. "I don't think that all of them would defend Ukraine faithfully," said Major General Volodymyr Fedchyk, who returned from Estonia shortly after Ukraine declared independence.

officers are regarded by some Ukrainian nationalists as a potential fifth column. Meanwhile, like General Fedchyk, as many as 40,000 Ukrainian officers have come home, bringing a rough ethnic balance to what had been the Russian-dominated ranks.

But it has proven more difficult to erase other features of the Soviet imprint. To describe his view of the country's new army, General Fedchyk struggles for this metaphor: "It's something akin to the feeling that a father or mother will have to a newborn baby. It's not a grown-up human being yet, but it really does exist."

diak, for one, admits to being left at odds with the loss of his old tools. "It used to be that you could explain everything on the basis of the class struggle," he said. "It has become much more difficult. We know what the questions are, but we don't always have the answers."

Major General Vladimir Mulaiva, the founder of the service, believes gentle persuasion will prove the best route to unify ardent loyalty among members of the former Soviet force. "If you drag a calf by the rope, then he drag his head," the general said. "You need to walk beside and sort of lead."

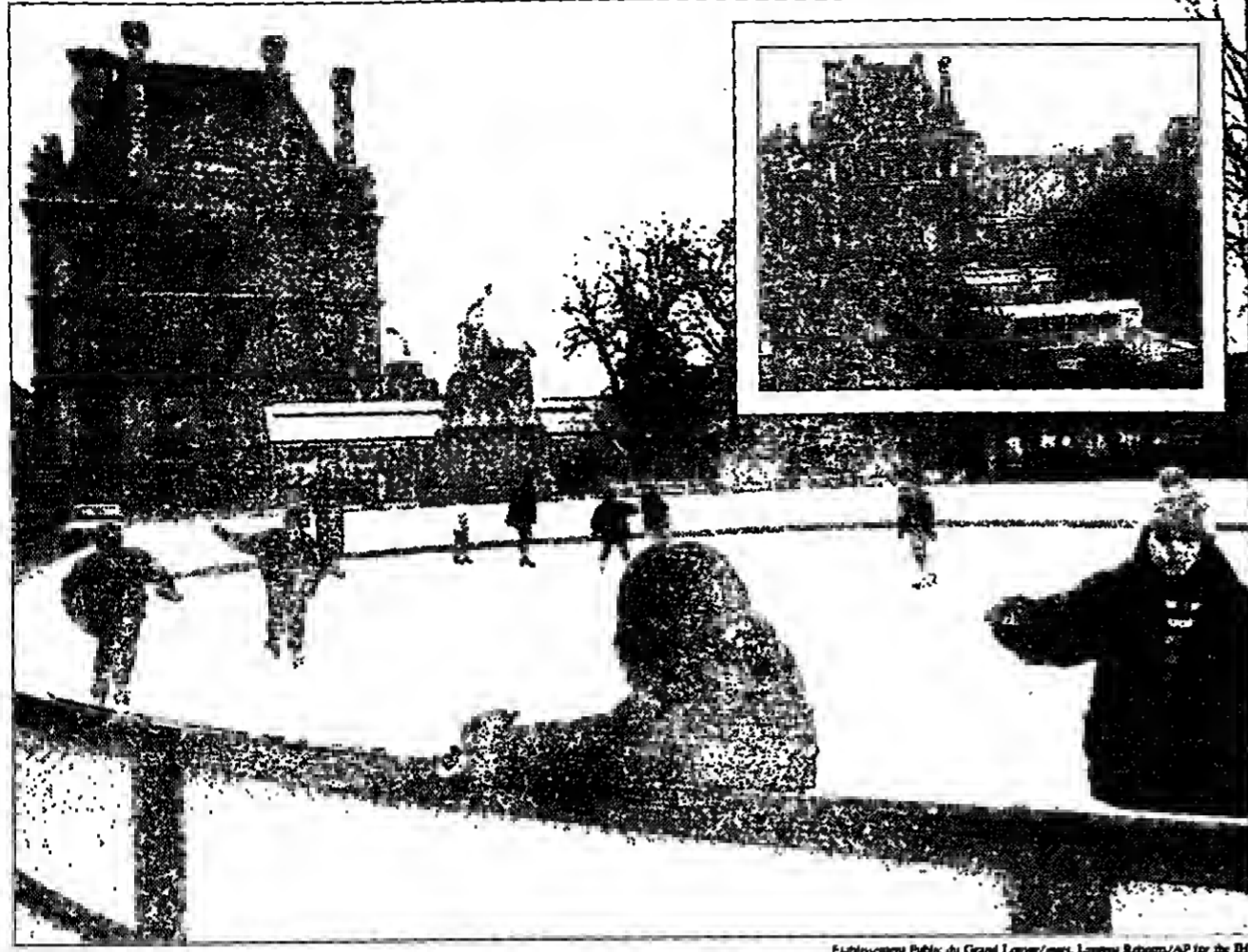
With 176 long-range nuclear missiles still on

But with nearly one in 100 Ukrainians now part of the armed forces, such generosity carries a heavy cost. But officials are frank in expressing concern.

Boris Tarasyuk, the deputy foreign minister, explained with a maxim: "The one who neglects to feed his own soldiers is destined to feed foreign soldiers."

LEISURE

A Glide Through the Tuileries: Putting People Back in the Park



By Christopher Peckham

PARIS — Two years ago, on a trip to New York, Serge Louveau became enchanted with Central Park's skating rink. Louveau, who is in charge of rehabilitating the Tuileries gardens, bought a postcard of it and, on returning to Paris, put it under the nose of his boss, Jean Lebrat, president of the Fédération Française des Sports de Glace. The rink is open to the public from 2 P.M. to 7 P.M. and from 10 to 11 on weekends. Depending on demand, adult classes may be organized outside regular hours.

Run by a concessionaire who, according to Weiser, had a loss last year but who signed up again because of the interest in skating facilities expressed by other municipalities, the rink comes none too soon. The park's popularity has been sliding grimly ever since World War II. The fact that the residential aspect of the neighborhood surrounding it has been sacrificed to offices and commerce, much of it unsightly, hasn't helped, though at least now the four buses have been sent underground.

Things are bad when people view a city park as good for getting from one place to another but not as a destination in itself. That has been the case with the Tuileries.

heit] things start to get complicated," says Patrick Weiser, a member of Louveau's staff who, like Louveau, seems both surprised and amused at the success of the initiative. "Then again the temperature during the day isn't so important so long as the nights stay cold."

Weekdays from 10 A.M. to 2 P.M. are reserved for school children supervised by an instructor from the Fédération Française des Sports de Glace. The rink is open to the public from 2 P.M. to 7 P.M. and from 10 to 11 on weekends. Depending on demand, adult classes may be organized outside regular hours.

But Lebrat was wrong, and by all accounts happy to be. In less than two months last winter the temporary, uncovered facility along Rue de Rivoli in the bold and completely unseductive northeast corner of the Tuileries gardens known as the Esplanade des Feuillants welcomed 18,000 skaters.

And Louveau, who has been working on the thorny problem of how to reintegrate the Tuileries into the everyday life of Parisians, had found at least a partial solution.

So discreet was the first installation of the rink that many Parisians who live in the middle of the city don't recall seeing it. But this year, a 600-square-meter (6,450-square-foot) oval rink, half again as large as the original to accommodate Sunday afternoon throngs, opens Thursday on the same site. The price is right: 40 francs (about \$6.75) for adults and 30 francs for children who rent skates, 20 francs and 10 francs for those who bring their own. The rink will be open seven days a week as long as the weather holds, which probably means mid-March.

Skaters on temporary rink last winter; inset, the new rink, with Louvre pyramid in background.

HEAR THIS

Nobody mentioned GATT, apparently, as the Barbie doll joined the wax museum in Paris. Just so you feel your age, the occasion was the doll's 35th birthday. The presentation in the Musée Grévin was hosted by TV talk show personality and first family relative Frédéric Mitterrand, who according to the AP said: "It's not clear whether society imitates Barbie or the other way around."

The rink is only one element of the master shake-up plan for the Tuileries. At its core is the renewal of the gardens by Pascal Cribiaux, Louis Benech and François Roubaud. By the time their work is completed in 1997, they will have planted 330 trees, for a total of 3,000. The team was also part of the jury that chose the architect Antoine Sinooc to create a permanent home for the skating rink, including ticket, coat and waiting facilities, diagonally across the park near the Orangerie. Sinooc, who restored the Jeu de Paume in 1988, beat out Sylvain Duboussin and Jean-Michel Wilmette for a job that could be realized as early as next winter.

EVERY spring the rink will come up to make way for the Poney-Club Louveau launched last summer, with 15 or so horses for a child a month season; 70 francs will buy a child an hour of certified instruction in a group of five or six. For the moment the tradition of the standard pony ride continues with animals that are walked back and forth across town every day from the Porte de Versailles.

Also part of the plan are new lighting, much-needed public telephones and toilets and a new policy concerning the temporary amusement park. To the delight of petitioners who collected signatures against it, the Ferris-wheel operators and candied-apple vendors will appear only once a year, in summer. Their winter slot has been seized by the skating rink, which, sad to say, has no music to skate by. Neighbors put the kibosh on that. Inscrutable figure artists to the sound of passing traffic rather than "Winter Wonderland."

Some will no doubt hold out for Central Park.

Christopher Peckham is the author of "At Home in France," a book about dining and entertaining in private French homes.

The Ferrari as Museum Piece

By Joseph Siano
New York Times Service

NEW YORK — The connection between racing car and passenger car has evolved over the last 30 years into more of a fantasy — sustained by auto manufacturers' advertising agencies — than a nuts-and-bolts reality.

But as fanciful as that bridge may be, the Museum of Modern Art's department of architecture and design has found such a walkway. It is "Designed for Speed: Three Automobiles by Ferrari," the fifth car-related exhibition in the museum's history. This one tries to show the influence of racing on passenger-car design.

No car company besides Ferrari produces highway vehicles that are closer in design lineage to the modern Formula One race cars:

enderless, one-seat vehicles that can go from a stop to 100 miles (160 kilometers) an hour and back to a stop in less than 10 seconds.

This design philosophy is a legacy of the company's founder, Enzo Ferrari, who started building passenger cars in 1947 only to keep his racing team afloat. As a result, few other companies today produce cars whose ownership is such an unaffordable fantasy to most of us. Which might be an underlying message of this show: the closer you actually get nowadays to making the link between race car and passenger car, the farther away from the real world you actually wind up.

The exhibition, which runs through March 1 and occupies two fourth-floor galleries, centers on a 1990 Ferrari Formula One racer. Ferrari is giving one to the museum. The car has a taut, athletic look; if there were a

way to touch it, you think, it might jump up and sprint away.

Imagination will have to suffice. Although the museum provides a silent videotape of the car in action, the shriek of its 12-cylinder engine is an experience museumgoers will be spared. Anyone who has attended a race featuring these cars will be left with the feeling of watching a tiger in a zoo cage.

But the museum's purpose is to dissect this beast and show the cold logic of its design and construction. That is done, yet the car's purity of purpose still manages to evoke an emotional response.

A separate display on the race car's engine includes detailed blueprints. The drawings and the engine, not much larger than an average suitcase, seem like design studies for a high-tech cathedral, with flowing chrome exhaust pipes replacing dying butresses.

La Filles du Roi

Directed by Agnès Merle.
France-Belgium-Luxembourg.

Martin and Simon, two kids behind the wheel of a bus, are not headed for school, they are headed for trouble. After an explosive start "Le Filles du Roi" (Son of the Star) goes on the road in northern France. It could be Liverpool, or a ghetto in Los Angeles. What makes this a French film is its poetic beat. The brothers live in a sordid, but enchanted world. Despite the violence they come from — a drunken father, a mother who walked out — and the violence they wreak, passionate brotherhood keeps them soldered together. Ludovic Vandendaele plays Martin, the instigator, Erick Da Silva plays Simon, who follows him on his disastrous route; they are superb. This first film has many haunting and wonderful things, but it's not blessed by the receding screenplay, for which, curiously, it received a prize.

(Joan Dupont, IHT)

Dove siete? Io sono qui
Directed by Liliana Cavani.
Italy.
Twenty years on from "The Night Porter," Liliana Cavani has produced a crusading film ("Where Are You? I Am Here") on Italy's failure to provide properly for the deaf — but presented in human, not polemical terms. Fausto (Gaetano Carotenuto), a deaf boy from a pros-



Robin Williams and crew in "Mrs. Doubtfire"; scene from "Dove siete? Io sono qui."

perous family, meets Elena (Chiara Caselli), a deaf girl from a working-class home. Fausto's ferocious mother (Anna Bonaiuto) has brought up her son to deny his handicap, forbidding him to use sign language and to associate with other deaf children, and does everything she can to sabotage the blossoming love affair. Elena has dropped

out of high school for want of the special teaching she is entitled to by Italian law but that does not actually exist — though she has retained her passion for Catullus's Latin love poetry, finding dignity and self-respect in reciting verses in this dead language. Fausto persuades her to go back to school, where her struggles in the classroom and final triumph over her teachers' hostility and fellow students' impatience and ridicule create some of the most moving scenes in recent cinema. (Roderick Conway Morris, IHT)

he married, Marsha Garces Williams, the material is chiefly a showcase for the star's comic genius. The film is focused on Daniel Hillard (Williams), a childlike actor who is "addicted" to his adoring kids. The very qualities that endear him to them — a sweet flakiness and a freewheeling sense of fun — prevent him from being a good husband to Miranda (Sally Field), a career girl who divorces him and wins custody of the kids. Unwilling to be parted from the moppets for even a day, Daniel disguises himself as the dowdy Mrs. Doubtfire and is hired on as Miranda's housekeeper. Of course, nobody in her right mind would be fooled. But you will laugh till your ribs ache — not because director Chris Columbus of the "Home Alone" movies has a gift for farce — which he does — but because Williams is so funny what the Energizer Bunny is to batteries. He keeps going. (Rita Kempley, W)

HEARD THE ONE ABOUT THE ENGLISHMAN.
THE SCOTSMAN AND THE WELSHMAN who, helped by two Australians, downed 131 Singapore Slings at a single, 2-hour sitting? The case was duly documented by the head barman of the day, whose signed testimony to the event you'll find at Raffles Hotel Museum to this day.

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Artist Giorgio Morandi in his studio in the early '50s.

Visit an Artist's Mind

By Ken Shulman

BOLOGNA — The late morning sun shoots columns of light into Piazza Maggiore, transforming the compact, idiosyncratic Bolognese square into a composition of rectangles, squares and cubes. The facade of the Basilica of San Petronio and the arches leading to the Museo Civico are distilled into the simplest of geometric forms. The three sections of the Palazzo Comunale, built in three centuries and in three distinct styles, for once are fused into a single, homogeneous composition. The entire piazza hums in a pulsing, red-brown hmc.

It is fitting that the newly opened Giorgio Morandi Museum looks down onto this scene. Two floors above the piazza, in the 15 rooms of the Palazzo Comunale that served as the private apartments of Cardinal Gianfranco Leato in the 17th century, when Bologna was the second city of the papacy, the paintings, drawings and sketches of Bologna's most important modern painter capture the singularity of the light that makes the static piazza dance and dissolve into its barest essence.

The true book of philosophy, the book of nature, is written in characters that are not included in our alphabet," Morandi said in a rare interview in 1956. "These characters are triangles, squares, circles, spheres, pyramids, cones and other geometrical figures." While apparently repetitions of the art of Giorgio Morandi, his work is a study in variety. Certainly those hard-baked compositions for whom real art ceased to exist toward the beginning of the 1900s can find simple analogies for their arguments in his paintings. A pair of bottles. A vase. A pitcher. A dish. The same elements. The same composition. Over and over and over again. Yet then, Giorgio

Morandi is merely one of the best-laid scams of modern art. "With a scale of just eight notes, our composers have created an entire universe of music," replies Marielena Pasquali, one of the world's leading Morandi scholars and director of the Morandi Museum. "For me, Morandi is the key to all modern art. I'd say that the person who thinks Giorgio Morandi a fraud hasn't understood a thing about what's happened in this century."

The culmination of Pasquali's 11-year effort to create a permanent Morandi exhibition is a venue that could make any painter shine. The renovated apartments are an ideal context for Morandi's still lifes, landscapes and floral paintings. Beginning with the 1910 "Landscape" and ending with the finished "Still Life" that was on his easel when he died in 1964, the Morandi Museum winds through its chronological display at a stimulating but uncluttered pace.

Realized at a cost of \$1.9 million, which came from the city, the museum obtained the bulk of its collection in a single gift: two years ago, Morandi's youngest sister, Maria Teresa, donated the family collection to the city. She did not ask for payment in exchange for a legacy estimated to be worth \$22 million. But she did stipulate one condition: The city had to provide a permanent home for the collection by the end of 1993. The Bolognese administration

One of the highlights of the museum is Morandi's studio, which was transported brush by brush and bottle by bottle from his home on Via Fondazza to be reassembled there. The studio casts a revealing light on Morandi's work and life. It is almost like a visit inside the artist's mind.

Ken Shulman is an American writer based in Italy.

THE ARTS GUIDE

AUSTRIA
Vienna
Kunsthaus, tel: 712 04 95. Sculpting/To Jan. 27: "Joan Miro. Sculptures and Drawings."
Wiener Staatsoper, tel: 514 440. Offenbach's "Tales of Hoffmann." With Placido Domingo and Cheryl Studer. Dec. 20 (premiere), 23 and 27.

BELGIUM
Antwerp
L'Europe à Table, tel: (3) 233 02 94. To Dec. 31: Several museums explore the world of gastronomy. The Musée Plantin exhibits recipe books dating back to the 17th century; the Bourse du Commerce hosts an exhibition of drawings, books, and objects used in the dining rooms of the Antwerp bourgeoisie at the turn of the century, and the Maison des Brasseurs reveals the secrets of beer production.

BRITAIN
Glasgow
The Burrell Collection, tel: (41) 849 71 51. To March 13: "Degas in Bronze." More than 70 bronze sculptures include many of Degas's favorite subjects: ballet dancers, galloping horses and bathers.

FRANCE
Paris
Bibliothèque-Musée de l'Opéra, tel: 47 42 07 02. To Feb. 27: "Voyages d'Opéra." 19th-century drawings, watercolors and gouaches of costumes and sets for operas that take place in Oriental or exotic settings, such as Puccioni's "Turandot," Verdi's "Aida" and Mozart's "The Abduction from the Seraglio."

GERMANY
Berlin
Deutsche Oper, tel: (30) 3 41 02 49. Verdi's "Ein Maskenball," conducted by Rafael Frubeck de Burgos, with Neil Shicoff/Mario Malagrin, Vladimir Chernov/Mario di Marzio and Mara Zampieri/Michele Corder. Dec. 19 (premiere), 23, 27, Jan. 4 and 7.

CZECH REPUBLIC
Prague
National Gallery, Wallenstein Riding School, tel: (2) 53 68 14. To Dec. 21: "Constructive Tendencies in Czech Art of the 1920s." Surveys the most significant aspects of the artistic production from that decade.

DENMARK
Helsingørsk
Louisiana Museum of Modern Art, tel: (42) 18 07 19. To March 6: "Claude Monet: Works from 1880 to 1928." Features late works loaned by Musée Marmottan-Claude Monet in Paris and other museums and collections in Europe and the United States, including his native paintings of the garden and Japanese bridge at Gi-



A 1957 photograph by Frank Horvat, from "Vanities" show in Paris.

venry, as well as Japanese woodcuts which were an important source of inspiration for Monet.

IRELAND
Dublin
Irish Museum of Modern Art, tel: 718 666. To Jan. 16: "Max Ernst: Sculpture 1934-1974." Sculptures dating from Ernst's early work with Arp and Giacometti in the 1930s to the end of his working life in 1974.

ITALY
Florence
Palazzo Medici-Riccardi, tel: (55) 55 27 60. Continuing/To Dec. 5: "Kosimir Malевич."

JAPAN
Mie
Prefectural Art Museum, tel: (592) 27 21 00. To Dec. 5: "Italian Renaissance and Baroque Art from the State Hermitage Museum." Focuses on Italian art between the 15th and 18th centuries and includes works by Giorgione, Titian and Canaletto.

SPAIN
Valencia
IVM Centre Julio González, tel: (6) 386 30 00. To Jan. 23: "Herni Mchaux." More than 100 works from the Surrealist artist's various creative periods, including early drawings and oils, watercolors on black background, ink drawings and works created under the influence of mesecine. The exhibition will travel to Geneva in March 1994.

SWITZERLAND
Geneva
Petit Palais, tel: (22) 346 14 33. To Jan. 30: "De Matisse a Kandinsky." From Fauvism to Expressionism, works by Kandinsky, Matisse, Braque, Vlasovnik, Dely and van Dongen.

terfite and displays artifacts found in tombs, as well as reproductions of now sealed tombs.

STUTTGART
Staatgalerie, tel: (711) 212 40 50. To Dec. 12: "Von Bernini bis Piranesi: Römische Architekturschnitten des Barock." The wide range of sketches and architectural plans by Bernini, Borromini, Fuga and Piranesi, among others, displays the Baroque glory of 17th-century Rome.

UNITED STATES
New York
National Academy Museum, tel: 212-369 4890. To Feb. 27: "American Dimensions." Includes 36 freestanding and relief sculptures in plaster, marble and bronze by artists such as Horatio Greenough and James Earl Fraser, among others.

EUROPEAN TOUR
Boston Symphony Orchestra, Dec. 4 to 16: Conducted by Seiji Ozawa, the orchestra performs at Royal Festival Hall, London (Dec. 4); Theatre des Champs-Élysées, Paris (Dec. 5); Auditorio Nacional, Madrid (Dec. 13); Gasteig, Munich (Dec. 14); Dvorak Gala Concert at Smetana Hall, Prague (Dec. 16).

BOOKS

NEVER STOP RUNNING: Allard Lowenstein and the Struggle to Save American Liberalism

By William Chafe. Illustrated. 556 pages. \$28. Basic Books/HarperCollins.

Reviewed by Christopher Lehmann-Haupt

ALLARD Lowenstein (1929-1981) may be remembered now as a man who never stopped running for congressional seats in and around New York City, and never stopped losing.

But in William Chafe's fascinating political and psychological biography, "Never Stop Running: Allard Lowenstein and the Struggle to Save American Liberalism," Lowenstein comes to life again as a Pied Piper for the young and idealistic and as a man who passionately believed in the possibility of reforming the system without tearing it apart.

Combining his avidity for reform with a strict anti-communism, Lowenstein was able to play a major role in three liberal crusades of the 1960s and '70s: the fight against apartheid in South Africa, the battle for civil rights that culminated in the Freedom Summer in Mississippi and the campaign against the U.S. role in Vietnam that led to President Lyndon B. Johnson's decision not to run again for office in 1968.

Chafe goes far beyond merely recounting these events. A professor of history at Duke University in Durham, North Carolina, and the author of "The American Woman," among many other books, he develops a theory that what lay beneath Lowenstein's prodigious talents as a liberal activist were two traumatizing secrets that undermined his sense of his own worth.

WHAT THEY'RE READING

• **Carmina Albornz**, Spain's culture minister, is reviewing "Las versos del Capitán" by Pablo Neruda. "To return to this poet, and especially to one of his most joyful books, is always a captivating experience. It's going back to find his powerful, immense, torrential and unmistakable voice. It's a voice that seems to come from very far away, from the dawn of words and language." (Al Goodman, IHT)

theory — proves useful up to a point in Chafe's handling. He employs it to explain the rise of Lowenstein's career to the climax of his astonishingly successful "Dump Johnson" campaign and its descent after the disaster of Robert F. Kennedy's assassination to the point where Lowenstein seemed to revel in defeat.

Particularly acute is Chafe's explanation of why Lowenstein so often seemed to be on both sides of the fence, as for instance in the role as president of the National Student Association in the early 1950s, where he managed simultaneously to avoid and encourage the clandestine support of the Central Intelligence Agency.

Chafe's theory also proves promising as an organizing principle. In a typical chapter, he will begin by



that as Chafe proceeds through his subject's life he does not come closer to any one of Lowenstein's psychological conflicts. For example, the precise effect of his mother's death on the text merely takes the points that have already been made and shakes them into new patterns. A result is increasingly tedious confusion and repetitiveness.

Still, his book remains a highly intriguing portrait of an impossible man whose very nature helped him to achieve the impossible. Even his death had something in Chafe's scheme of things. Lowenstein was assassinated on March 14, 1981, by one Dennis Sweeney, a crazed former disciple who blamed Lowenstein for transmitting the tormenting voices that Sweeney insisted were being broadcast from his teeth.

Psychiatrists have since argued that Sweeney suffered from adult-onset schizophrenia and that therefore his murderous act had nothing to do with Lowenstein's habitual tendency to befriending young men and then drop them.

But Chafe points out that Lowenstein knew all too well that Sweeney was dangerous, yet thought he could handle him. As "Never Stop Running" concludes, Sweeney's madness was just one more impossibly difficult problem that Allard Lowenstein's tragic life, always striving that for Lowenstein there was no distinction between the political and personal. The trouble with this approach is

BRIDGE

By Alan Truscott

IN the diagrammed deal, played Oct. 24 in a Long Island Swiss Team event, Rob Gordon of Northport, Long Island, sat South. He heard his partner bid two no trump over one heart to show length in the minor suits and even-length in the majors. Since West had not led a heart, he was inclined to believe that West's suit was not solid. He visualized West's original hand as Q-J-x-x of spades; five strong hearts, not solid; K-x-x of diamonds, and a singleton club.

cutting the defenders' communications, but was dismayed to see East win with the spade queen and lead a club: Down one.

Diagrammed deal showing North and South hands and play sequence.

NORTH	SOUTH
♠ 54	♠ A K 10 7 2
♥ Q J 10 7 2	♥ A Q J 9 7
♦ A Q J 9 7	♦ 8 6 5 4 3
♣ 2	♣ K 5

Play sequence:
West: ♠ 54, ♥ Q J 10 7 2, ♦ A Q J 9 7, ♣ 2
East: ♠ A K 10 7 2, ♥ A Q J 9 7, ♦ 8 6 5 4 3, ♣ K 5
West: ♠ 54, ♥ Q J 10 7 2, ♦ A Q J 9 7, ♣ 2
East: ♠ A K 10 7 2, ♥ A Q J 9 7, ♦ 8 6 5 4 3, ♣ K 5

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NASDAQ

Thursday's Prices
NASDAQ prices as of 4 p.m. New York time. The list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High Low Stock Div Yld PE Ratio High Low Latest Chg

12 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Latest Chg
120	110	IBM	2.00	4.0	15	120	110	+10
100	90	Microsoft	0.00	0.0	15	100	90	+10
80	70	Oracle	0.00	0.0	15	80	70	+10
60	50	Sun	0.00	0.0	15	60	50	+10
40	30	Lotus	0.00	0.0	15	40	30	+10

12 Month High Low Stock Div Yld PE Ratio High Low Latest Chg

12 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Latest Chg
100	90	Intel	0.00	0.0	15	100	90	+10
80	70	Motorola	0.00	0.0	15	80	70	+10
60	50	Texas Instruments	0.00	0.0	15	60	50	+10
40	30	Advanced Micro Devices	0.00	0.0	15	40	30	+10
20	10	WorldCom	0.00	0.0	15	20	10	+10

12 Month High Low Stock Div Yld PE Ratio High Low Latest Chg

12 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Latest Chg
100	90	Verizon	0.00	0.0	15	100	90	+10
80	70	AT&T	0.00	0.0	15	80	70	+10
60	50	WorldCom	0.00	0.0	15	60	50	+10
40	30	Qwest	0.00	0.0	15	40	30	+10
20	10	Level 3	0.00	0.0	15	20	10	+10

12 Month High Low Stock Div Yld PE Ratio High Low Latest Chg

12 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Latest Chg
100	90	Amgen	0.00	0.0	15	100	90	+10
80	70	Genentech	0.00	0.0	15	80	70	+10
60	50	Amgen	0.00	0.0	15	60	50	+10
40	30	Amgen	0.00	0.0	15	40	30	+10
20	10	Amgen	0.00	0.0	15	20	10	+10

12 Month High Low Stock Div Yld PE Ratio High Low Latest Chg

12 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Latest Chg
100	90	Amgen	0.00	0.0	15	100	90	+10
80	70	Genentech	0.00	0.0	15	80	70	+10
60	50	Amgen	0.00	0.0	15	60	50	+10
40	30	Amgen	0.00	0.0	15	40	30	+10
20	10	Amgen	0.00	0.0	15	20	10	+10

12 Month High Low Stock Div Yld PE Ratio High Low Latest Chg

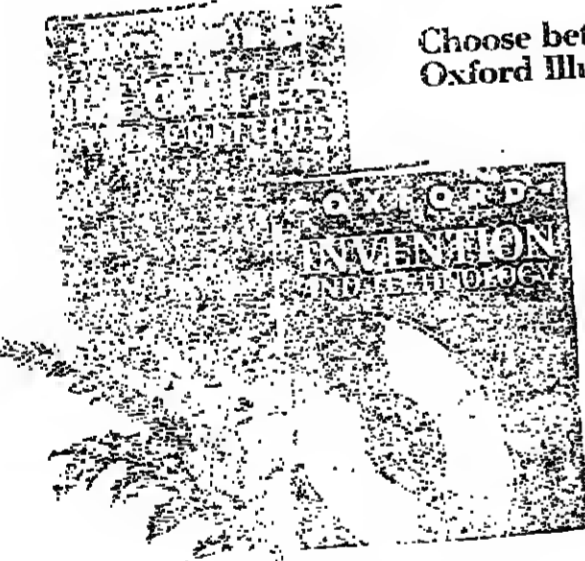
12 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Latest Chg
100	90	Amgen	0.00	0.0	15	100	90	+10
80	70	Genentech	0.00	0.0	15	80	70	+10
60	50	Amgen	0.00	0.0	15	60	50	+10
40	30	Amgen	0.00	0.0	15	40	30	+10
20	10	Amgen	0.00	0.0	15	20	10	+10

12 Month High Low Stock Div Yld PE Ratio High Low Latest Chg

12 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Latest Chg
100	90	Amgen	0.00	0.0	15	100	90	+10
80	70	Genentech	0.00	0.0	15	80	70	+10
60	50	Amgen	0.00	0.0	15	60	50	+10
40	30	Amgen	0.00	0.0	15	40	30	+10
20	10	Amgen	0.00	0.0	15	20	10	+10

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Country/Currency	12 months (12 issues, \$72)	6 months (6 issues, \$36)
Austria	6,000	3,000
Belgium	14,000	7,000
Denmark	3,400	1,700
Finland	2,600	1,300
France	1,650	1,070
Germany	700	335
Great Britain	210	115
Greece	75,000	41,000
Ireland	230	125
Italy	500,000	275,000
Netherlands	14,000	7,000
Norway	770	420
Portugal	3,500	1,900
Spain	47,000	26,000
Sweden	48,000	26,500
Switzerland	55,000	27,500
USA/Canada	232	110
Japan	3,500	1,900
South Africa	512	256
South Korea	512	256
Sweden	512	256
Switzerland	512	256
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Japan	512	256
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Switzerland	512	

AMEX

Thursday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table with columns: High, Low, Stock, Div, Yld, PE, 100, High, Low, Last, Chg. Lists various stocks and their prices.

Table with columns: High, Low, Stock, Div, Yld, PE, 100, High, Low, Last, Chg. Lists various stocks and their prices.

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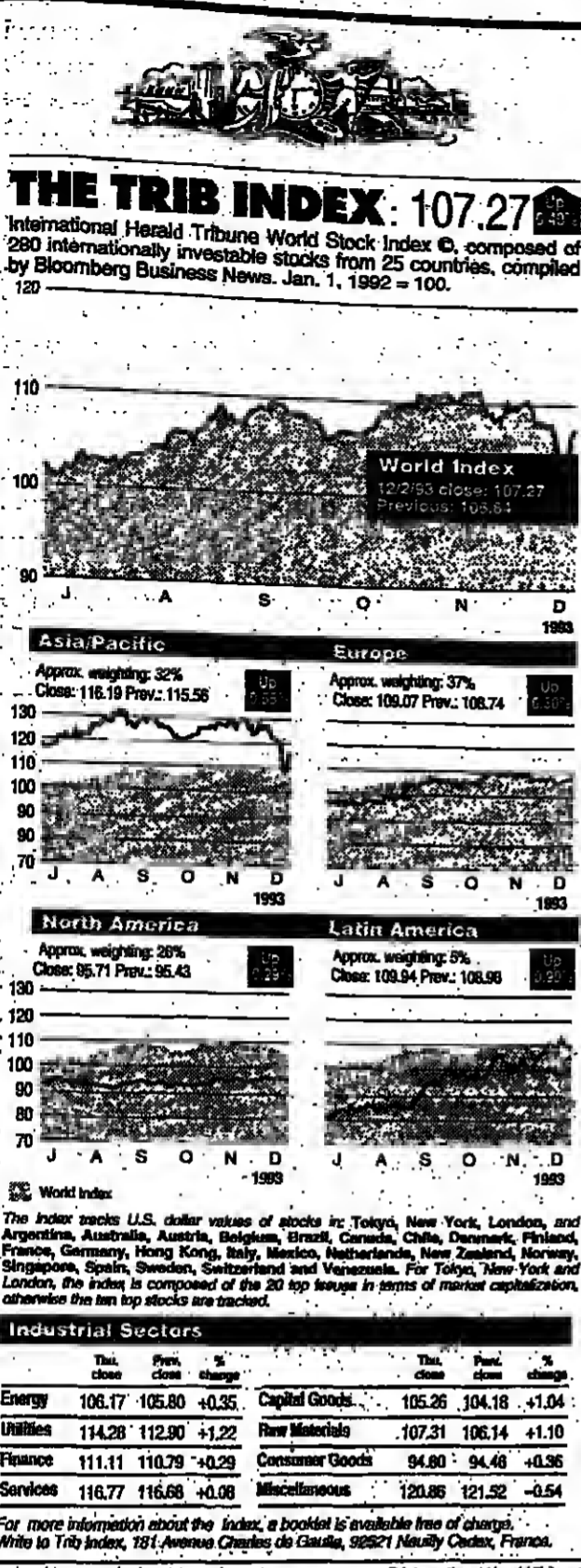
Table with columns: High, Low, Stock, Div, Yld, PE, 100, High, Low, Last, Chg. Lists various stocks and their prices.

Table with columns: High, Low, Stock, Div, Yld, PE, 100, High, Low, Last, Chg. Lists various stocks and their prices.

Table with columns: High, Low, Stock, Div, Yld, PE, 100, High, Low, Last, Chg. Lists various stocks and their prices.

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the last trading day. Since a split or stock dividend amounting to more than 100% has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual dividends per share, based on the last declaration.

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Germany Lowers Repo Cost

Discount Rate Left Untouched

By Brandon Mitchener
International Herald Tribune

FRANKFURT — The Bundesbank left its benchmark discount rate unchanged on Thursday, but lowered an arguably more important market rate by 0.25 percentage point in what observers said was both good news for the German economy and a hint at further "official" rate cuts to come.

"For the economy, the cut in the repo rate is more important than a cut in the discount rate would have been," said Jürgen Sarrazin, chairman of Dresdner Bank AG.

The securities repurchase or repo rate, which the Bundesbank fixed at 6 percent through Jan. 5, affects market borrowing rates more directly than the discount rate, at which banks can borrow only a limited amount of cheap funds.

Because the last repo, allocated Wednesday, cost 6.25 percent, the Bundesbank's move amounted to an immediate easing even though it left the discount rate unchanged at 5.75 percent. The Lombard rate, which plays a minor role when interest rates are declining, was also left unchanged at 6.75 percent.

For Germany's neighbors, Thursday's move was as good as an official rate cut. Belgium, Denmark and the Netherlands reduced their interest rates accordingly and analysts said France might soon follow suit.

Frankfurt stocks surged following the news, with the DAX index jumping 20.66 points, or about 1 percent, to a record 2,110.53.

The Bundesbank's action, which followed a pattern of cautious easing all year, "sets the stage for another official rate cut, most likely in early 1994, if not before," argued Kermit Schoenholtz, an economist at Salomon Brothers International in London.

The main reason to delay is uncertainty about the inflationary impact of upcoming wage bargaining rounds in the key engineering and public sectors, he said.

Market players praised the move.

A Split Widens in China

New Firms Leave State Sector Behind

By Patrick E. Tyler
New York Times Service

ANSHAN, China — Ge Yak, a former city planner who has rescued an unprofitable state bicycle factory, describes himself as a Communist Party capitalist. In China's new market economy, he is fearless about dismissing workers and tossing them into the overburdened welfare system.

His role models for ruthlessness in business are Mao Zedong and Hitler, both of whom, he says, understood that to win, you have to hire soldiers who are hungry and from the countryside.

A quarter of his 4,000 workers are peasants from China's interior seeking salvation in the booming coastal provinces. Mr. Ge, 49, provides them with cots in a dormitory and with tryouts. If they produce their quota of bikes each day, they can stay. If not, they are dismissed.

"The market system says someone has to survive and someone has to die," Mr. Ge said. "In 1991, this factory faced closing, but I fired 1,500 workers and we rescued this place."

In China's northeastern industrial heartland, Mr. Ge's testimony to market economics is a bit out of place and underscores some of the contradictions that exist in the country's rapidly changing industrial sector.

Most factory managers around here do not welcome the idea of economic independence. In interviews at a number of huge state enterprises, most production bosses said it would be "impossible" for their factories to stand on their own.

Sony's Morita Incapacitated After Surgery

By Andrew Pollack
New York Times Service

TOKYO — Akio Morita, the co-founder and chairman of Sony Corp. and the leading statesman of Japan's business community, has suffered a cerebral hemorrhage that will force his withdrawal, at least temporarily, from activities at his company and from his increasingly prominent role as soother of the tense trade relations between the United States and Japan.

Sony said Thursday that Mr. Morita had been taken to a Tokyo hospital Tuesday morning after feeling ill while playing tennis. His condition was diagnosed and he underwent immediate surgery to remove blood from his brain.

The four-hour operation went well and "his recovery is quite satisfactory," said Tsunao Hashimoto, a deputy executive president at Sony. But he said it was too early to say when, or if, Mr. Morita would be able to resume business activities.

What was left unsaid is that it seems probable that the 72-year-old executive will be out for several months at least. Meanwhile, the Tokyo business world was abuzz with rumors Mr. Morita, who built Sony into one of the world's most innovative companies, would have to retire.

Mr. Hashimoto said there was as yet no indication that Mr. Morita would step down. He said the chairman, who is in intensive care, has not been able to speak but has been able to respond to his name by squeezing someone's hand.

Sony executives and analysts said that Mr. Morita has not been actively involved in day-to-day operations at Sony since 1989, when he became chairman and passed the presidency to Norio Ohga. For that reason, they said, there would be little immediate impact on the company. Sony's stock rose 70 yen, to 4,930 yen (\$45.23), on the Tokyo Stock Exchange on Thursday.

Still, Mr. Morita is what Mr. Hashimoto called the "psychological backbone" of Sony. His absence would come as the electronics giant, with \$34 billion in sales last year, is facing one of its toughest periods since the company was started in a bombed-out Tokyo department store in 1946.

Like other Japanese electronics companies, Sony is beset by the slump in Japan's economy, the strength of the yen which makes exporting difficult, and a lack of hit products. Mr. Ohga turns 64 next month, so it might not be too many years before the company undergoes another transition.

Mr. Morita is also likely to be missed in the broader business and political arena, where he has been outspoken in urging Japanese companies to halt practices viewed as unfair in the West and where he has helped calm friction between Japan and its trading partners.

Mr. Morita is the co-chairman of the U.S.-Japan Business Council, a group of executives from both sides of the Pacific that works to solve trade problems. He has also been considered a leading candidate to become chairman of Keidanren, Japan's most powerful business lobbying organization, when the current chairman retires next spring.

Mr. Morita would be an unusual choice for Keidanren because he is still viewed by the Japanese business establishment as a maverick. Indeed, Mr. Morita, who is no doubt the most famous Japanese businessman outside of Japan, is more revered abroad than at home.

It is unclear why Sony waited until two days after Mr. Morita's surgery to make the news public and

Kmart to Sell PayLess Drug

Compiled by Our Staff From Dispatches

TROY, Michigan — Kmart Corp. said Thursday it had agreed to sell its PayLess Drug Stores Northwest Inc. division to TCH Corp., owner of Thrifty Drug Stores, for more than \$1 billion in cash and securities.

TCH is a Los Angeles-based retailer that owns Thrifty as well as Bi-Mart Corp., Gart Bros. Sporting Goods and MC Sporting Goods.

PayLess, based in Wilsonville, Oregon, operates 572 stores in a dozen Western states. Thrifty operates 494 stores in California. The combined company would be one of the largest U.S. drugstore chains.

Kmart, a leading discount-store retailer, bought PayLess in 1985.

Kmart has been trying for months to find buyers for some of its less well-performing subsidiaries and has sold some to rivals such as Wal-

EUROPEAN COAL AND STEEL COMMUNITY

US\$50,000,000 Graduated Rate Bonds due 1999

The Commission of the European Communities informs herewith the holders of the above mentioned bonds that the annual redemption instalment due January 15, 1994 covering a nominal amount of US\$ 3,000,000 has been entirely satisfied by drawing by lot.

The Bonds so drawn bear the following number:

5084-6196; 6200-6371; 6382-7120; 7125-7490; 7524-9033

The bonds are redeemable at par and cease to bear interest on January 15, 1994. The bonds selected by lot will be reimbursed at or after January 15, 1994 with coupons on January 15, 1994 and following attached in accordance with the terms of payment mentioned on the bonds.

The principal amount of bonds outstanding after the amortization of January 15, 1994 will be US\$33,500,000.

Luxembourg, December 3, 1993

NOTICE OF REDEMPTION TO THE HOLDERS OF

EUROPEAN COAL AND STEEL COMMUNITY

US\$50,000,000 Graduated Rate Bonds due 1999

NOTICE IS HEREBY GIVEN that in accordance with condition (h) of the Terms and Conditions of the Note, the Commission of the European Communities will proceed to the early redemption of the total of the outstanding Notes at 101% of their principal amount on January 15, 1994.

Interest on the Notes will cease to accrue on and after the Redemption Date.

Luxembourg, December 3, 1993

Thinking Ahead

Take Care to Keep GATT Path Open

By Reginald Dale
International Herald Tribune

WASHINGTON — With less than two weeks until the Uruguay Round deadline, an unfortunate complication has arisen in Washington. The administration has suddenly realized that it may be hard to drum up enthusiasm in the American business community for the round's outcome.

If it fails to win full backing from business, President Bill Clinton could face a bruising fight in Congress, like the agonizing struggle over the North American Free Trade Agreement — which, business heavily supported.

The nervousness in Washington is leading to some erratic activity by U.S. negotiators in Geneva as they attempt to win extra concessions for American companies before it is too late. But the tactics are isolating the United States and are likely to be counterproductive.

Until very recently, the consensus in Washington was that, unlike NAFTA, the Uruguay Round would breeze happily through Congress. But now that the NAFTA battle is over, critics of the administration's stance in the GATT negotiations are rapidly emerging from the woodwork, and they need to be taken seriously.

The critics say the administration is about to sell American business and American workers down the river by allowing foreign countries even easier access to the already-open U.S. market without gaining significantly greater access to the foreigners' closed markets in return.

The administration is about to allow GATT to weaken U.S. laws against unfair trade, making it much harder for Washington to pry open those markets in the future.

Many of these charges are exaggerated. But there is a big enough kernel of truth in them to make them potentially damaging.

Nowhere is this more true than in the market for financial services, such as banking, insurance and investment, where the United States had originally hoped to make big gains.

Washington particularly wants to unlock the doors to Japan, the booming countries of East Asia and other developing countries. So far, however, these countries have made totally inadequate negotiating offers.

So the United States is trying to twist arms by proposing a controversial "two-tier" approach: Only countries that had given the

Most New U.S. Jobs Are White-Collar

By Steven Greenhouse
New York Times Service

WASHINGTON — While many Americans believe that most new jobs are going to hamburger flippers and discount-store clerks, the reality is surprisingly different: more than three-fifths of the new jobs created over the last year have gone to managers and professionals.

As thousands of former middle managers at International Business Machines Corp., General Motors Corp. and other corporate giants can attest, white-collar workers were hit especially hard in the recent recession. But government statistics show a steady climb in the hiring of white-collar workers.

Even though managers and professionals such as physicians and accountants make up only 27 percent of the U.S. work force, they have landed more than 60 percent of the 2.2 million net new jobs created over the last year. At the same time, the hiring of blue-collar employees has been largely stagnant.

The way economists and corporate executives put it, so many companies squeezed out so many managers during the recent slump that the demand for their rebound as the economy and corporate America expanded over the last year.

"Because of the recession, there was pent-up demand for managers," said Patrick Pitard, managing partner of Heidrick & Struggles, one of the largest U.S. executive search firms. "Many companies that did without executives for a year or two couldn't stand it any more. They had to fill that slot they left unfilled for so long."

Labor Secretary Robert B. Reich said this pickup in white-collar hiring pointed to profound economic changes that bode ill for unskilled workers, because such a high percentage of new jobs require college and graduate business degrees or other sophisticated training.

"The recent recession had unusually high levels of unemployment for white-collar workers," said Mr. Reich. "But white-collar jobs are coming back. Long-term demand is shifting in favor of people with greater skills."

Typical of this trend is what is happening at Wachovia Corp., a bank holding company in Winston-Salem, North Carolina. It has hired 250 management trainees over the last year and plans to hire another 250 next year, even as it lays off some tellers and data-processing personnel whose work has been automated.

Kenneth Torreyson, Wachovia's director of human resources, said many trainees were being hired to work on mutual funds and infor-

CURRENCY & INTEREST RATES

Cross Rates				Eurocurrency Deposits				Key Money Rates							
Asst. rates	1.25	2.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
London 1d	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
New York	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Tokyo	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Zurich	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1 ECU	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1 SDR	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

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BLANCPAIN

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MARKET DIARY

Investors Cautious Ahead of Jobs Data

NEW YORK — The stock market was mixed on Thursday, with most investors taking a cautious stance ahead of Friday's U.S. unemployment data.

N.Y. Stocks

The Dow Jones industrial average edged up 5.03 points, to 3,702.11. The New York Stock Exchange composite inched up 0.57, to 255.84, the Nasdaq composite was up 2.93, to 766.73 and at the American Stock Exchange, the market value index rose 0.80, to 462.85.

Advancing issues outnumbered decliners by about an 11-to-8 ratio on the New York exchange. Alfred E. Goldman of A.G. Edwards & Sons Inc. in St. Louis, Missouri, said investors appeared unwilling to trade heavily ahead of Friday's unemployment data.

Selling in the bond market in reaction to new economic reports undermined optimism in the stock market. The benchmark 30-year U.S. Treasury issue yielded 6.27 percent, up from 6.25 on Wednesday.

The latest batch of economic statistics included a Commerce Department report showing U.S. personal income in October rose a strong 0.6 percent while personal

consumption expenditures increased 0.8 percent. The confident outlook put upward pressure on interest rates, hurting bond prices.

But weakness in prominent retail stocks as the industry released November sales data weighed down the market. The specialty apparel retailer Limited tumbled after releasing its third-quarter earnings, and other retail stocks followed.

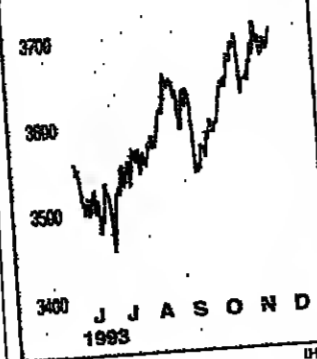
Robert Mondavi Corp.'s shares plunged after the winery said its results for the second quarter and six months ended Dec. 31 would fall below analysts' estimates.

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The Dow

Daily closings of the Dow Jones industrial average



Dow Jones Averages

Table with columns: Index, Open, High, Low, Last, Chg. Includes Industrial, Trans, Utilities, Finance, and Composite.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Close, Chg. Includes Industrial, Trans, Utilities, Finance, and Composite.

NYSE Indexes

Table with columns: Index, High, Low, Close, Chg. Includes Composite, Trans, Utilities, Finance, and Bond.

NASDAQ Indexes

Table with columns: Index, High, Low, Close, Chg. Includes Composite, Trans, Utilities, Finance, and Bond.

AMEX Stock Index

Table with columns: Index, High, Low, Close, Chg. Includes Composite, Trans, Utilities, Finance, and Bond.

Dow Jones Bond Averages

Table with columns: Index, Close, Chg. Includes 20 Bonds, 10 Industrials, and 10 Government.

Market Sales

Table with columns: Index, Volume, Value, Change. Includes NYSE, NASDAQ, and AMEX.

N.Y.S.E. Odd-Lot Trading

Table with columns: Buy, Sell, Volume, Value, Change. Includes NYSE, NASDAQ, and AMEX.

S&P 100 Index Options

Table with columns: Index, Volume, Value, Change. Includes NYSE, NASDAQ, and AMEX.

Amex Diary

Table with columns: Index, Volume, Value, Change. Includes NYSE, NASDAQ, and AMEX.

NASDAQ Diary

Table with columns: Index, Volume, Value, Change. Includes NYSE, NASDAQ, and AMEX.

EUROPEAN FUTURES

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes Food, Metals, and Financial.

Food

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes Cocoa, Sugar, and Wheat.

Metals

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes Aluminum, Copper, and Zinc.

Financial

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes Euro, Yen, and Dollar.

DEMAND GOVERNMENT BOND (I-10FF)

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes Treasury, Corporate, and Municipal.

Stock Indexes

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes NYSE, NASDAQ, and AMEX.

Industrials

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes Dow Jones, S&P 500, and NYSE.

Spot Commodities

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes Oil, Gold, and Silver.

Dividends

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes NYSE, NASDAQ, and AMEX.

U.S. FUTURES

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes S&P 500, Dow Jones, and NYSE.

Grains

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes Wheat, Corn, and Soybeans.

Livestock

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes Cattle, Hogs, and Poultry.

Metals

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes Aluminum, Copper, and Zinc.

Financial

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes Euro, Yen, and Dollar.

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Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes NYSE, NASDAQ, and AMEX.

Commodity Indexes

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes Oil, Gold, and Silver.

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Dollar Remains Steady In Wake of Rate Moves

NEW YORK — The dollar was little changed Thursday against the Deutsche mark and the yen, after giving up slight gains that followed a marginal relaxation of some interest rates in Europe.

Most attention remained focused on a U.S. unemployment report for November due to be published Friday. Trading thinned out in the afternoon as many dealers kept to the sidelines on the expectation that the jobs numbers might not be as good as had been expected.

Earlier action focused on Germany. A dealer for Industrial Bank of Japan said that the dollar rose after the Bundesbank effectively cut its securities repurchase rate to 6.0 percent from 6.25 percent and let its Lombard and discount rates unchanged. This caused a number of major U.S. funds that had been long in the German government bond market to sell their bunds and buy dollars for marks.

But in late trading in New York, the dollar drifted slightly lower, to 1.7225 DM from 1.7238 on Wednesday.

Separately, the Dutch central bank cut its discount rate by 25 basis points, to 5 percent, while the Belgian central bank lowered its discount rate to 8 percent from 8.50 percent. Taken together, the rate moves lifted the U.S. currency, but that mild enthusiasm leveled out late in the day as the market began to conclude that the Bundesbank might not lower its key rates until next year. Interest dealers then began trading in narrow ranges ahead of Friday's state of U.S. economic data, leaving the dollar largely unchanged for the day.

The U.S. currency ended at 108.50, unchanged. The British pound advanced to \$1.4838, from \$1.4780.

The dollar eased to 1.4979 Swiss francs from 1.5005, and to 5.9365 French francs from 5.9450.

In earlier trading in London, the dollar moved higher after the interest rate moves and held on to its gains. It advanced to 1.7230 DM from 1.7145 and to 108.73 YFX/UP1 108.50.

Foreign Exchange

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BUNDESBANK: Rate Is Pared

Continued from Page 11

Bundesbank's finesse. Its decision to announce the repo rate for the next five weeks in advance, for example, was unprecedented, and was generally understood to mean that there would be no more interest rate action this year.

But the repo decision does not automatically rule out a rate cut on Dec. 16, said Mr. Schoenhuber, recalling that the Bundesbank on occasion has lowered the rate on repos even after they had been previously announced as fixed-rate deals.

Mr. Sarazin, meanwhile, said German interest rates "are still much too high, compared with previous periods of recession."

Real German interest rates, usually defined as the official rate minus inflation, underestimate the amount of maneuvering room at the Bundesbank's discretion, he said.

World Stock Markets

Agency France Press, Dec. 2

Table with columns: Index, High, Low, Prev. Close, Close, Chg. Includes Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Sao Paulo, Singapore, Stockholm, Zurich.

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Spending Outpaces Income Growth

WASHINGTON (Combined Dispatches) — Personal income rose 0.6 percent in October, the Commerce Department said Thursday, but consumer spending grew even more quickly, reinforcing a report this week that showed rising confidence in the economy.

Sales of new homes, however, fell 6.5 percent in October, as the market was unable to sustain the previous month's high level. The increase in income followed a revised 0.1 percent increase in September and brought the seasonally adjusted annual rate to \$34.7 billion.

Consumer spending, the report said, rose 0.8 percent in October, to a seasonally adjusted annual rate of \$44.7 billion, while initial claims for unemployment benefits fell 17,000, to an eight-week low of 321,000. The Conference Board reported Tuesday that consumer confidence had risen a steep 10.7 points on its index for November. (Reuters, AP, Bloomberg)

Chrysler Raises Its Dividend 33%

DETROIT (Combined Dispatches) — Chrysler Corp., buoyed by strong operating results and upgrades of its debt, raised its dividend 33 percent Thursday, its first increase since cutting it the payout in half in 1991.

The automaker increased the quarterly dividend to 20 cents a share from 15 cents, payable Jan. 15 to shareholders of record Dec. 15. Nonetheless, its stock slipped 50 cents, to \$53.50 a share in New York Stock Exchange trading.

Chrysler's \$1.3 billion in long-term debt was upgraded in October, for the second time in as many months, by Moody's Investors Service Inc. Moody's second time in as many months, by Moody's Investors Service Inc. Moody's second time in as many months, by Moody's Investors Service Inc.

P&G to Buy German Tissue Maker

FUERTH, Germany (Bloomberg) — Procter & Gamble Co. will buy VP-Schickedanz AG from Gustav & Grete Schickedanz Holding KG in 1994, the German company said.

The sale price was not disclosed. VP-Schickedanz, a maker of tissues and other consumer products, had sales of 1.5 billion Deutsche marks (\$871.7 million) in the year ended Jan. 31. It would be the first venture into the European tissues market, which has sales of about \$5.5 billion, for the Cincinnati-based consumer products maker.

The transaction is scheduled to close Jan. 31, 1994, pending European Community antitrust clearance. Schickedanz said it decided to sell the operation to concentrate on its other businesses, which include trading, financial services and property.

BTR Agrees to Buy Rexnord Corp.

LONDON — BTR PLC said it would buy Rexnord Corp., a Milwaukee-based maker of industrial and aerospace equipment, for about \$420 million, or \$22.50 a share.

BTR said it had commitments for most of Rexnord's stock, including a 43 percent stake from Fairchild Corp. (Bloomberg, Knight-Ridder)

Capital Cities/ABC Share Buyback

NEW YORK (Reuters) — Capital Cities/ABC Inc. said Thursday that about 1.1 million of its common shares had been tendered under the company's offer to buy back a total of 2 million shares.

The shares were tendered at a price of \$63.00 a share. Of the total, Capital Cities said, 1 million shares were tendered by Berkshire Hathaway Inc., controlled by the prominent investor Warren Buffet. After the tender, Berkshire owns 13 percent, or 1,580,000 shares, Capital Cities said.

Capital Cities said it still wanted to buy back more shares. Berkshire Hathaway refused to say what it planned to do with its \$630 million in proceeds from the tender.

For the Record

Prime Minister Jean Chretien said Canada would proclaim the North American Free Trade Agreement with the United States and Mexico into its law on Jan. 1 as scheduled, despite reservations about some of its provisions. (UPI, Reuters)

The Washington Post Co. agreed to buy network-affiliated TV stations in Houston and San Antonio from H&C Communications Inc., ending that company's involvement in the media business, H&C said. (WP, AP)

More Cut-... for I W Work...

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More Cuts Seen For VW Workers

Compiled by Our Staff From Dispatches

HAMBURG — The personnel manager for the German carmaker Volkswagen AG told employees at its headquarters in Wolfsburg that a recently announced cut in working hours through the introduction of a four-day work week would not be sufficient to save 30,000 endang-ered jobs, according to a state-ment issued Thursday.

Peter Hartz also said that the "weak sales outlook" for 1994 and 1995 would require further produc-tion cuts at the company's plants in Germany. He said it was important to increase VW's productivity to world market levels.

He said that negotiations would begin soon with employees' repre-sentatives about two additional cost-cutting plans.

One plan would have workers attend seminars and various educa-tion programs for a couple of months a year.

The other approach would have new employees start working only a few hours a week and gradually in-crease their schedules to a work week of 28.8 hours, while elderly workers would retire slowly through a gradually decreasing work week.

On Nov. 25, management and employee representatives agreed to introduce a four-day work week beginning on Jan. 1, cutting the work week to 28.8 hours from 36 hours for a period of two years in order to save jobs. At the same time, it was agreed that pay would be cut by 10 percent.

Klaus Volkert, an employees' rep-resentative, said his committee

would oppose any increase in the company's factories abroad or a de-crease of the facilities in Germany. Mr. Hartz said that job losses could not be expected to serve as the sole answer to the company's current difficulties. (Knight-Ridder, APX)

Dresdner Bank Reveals Details Of Equity Stakes

Compiled by Our Staff From Dispatches FRANKFURT — Dresdner Bank AG, Germany's second-larg-est bank, revealed Thursday the size of several of its major stock holdings, including a 10.1 percent stake in the reinsurer Münchener Rückversicherungs-Gesellschaft and a 17.1 percent holding in the mail order house Oppermann Versand AG.

The bank, which like most Ger-man banks has sizable holdings in major domestic blue-chip equities, has in the recent past revealed other major holdings which had previ-ously only been estimated.

The bank said it had bought a 0.9 percent stake in Banque Nationale de Paris in the course of the French bank's recent privatization.

The bank also announced Thurs-day that its operating profit for the first 10 months of 1993 had risen 22.5 percent to 1.6 billion Deutsche marks (\$930 million). It said it expected to lift its 1993 dividend to 13 DM a share from 12 DM for 1992. (Bloomberg, Reuters)

Brand Focus Aids Grand Met

Compiled by Our Staff From Dispatches

LONDON — Grand Metro-politan PLC, the food and beverage conglomerate, reported strong operating results Thurs-day for the financial year that ended Sept. 30, but its overall profit was diminished by restruc-turing and bad-debt charges.

The company said its strategy of focusing on global brands pushed operating profit up 4 per-cent after stripping out benefi-cial effects of currency fluctua-tions and acquisitions. Its operations include Burger King, Haagen-Dazs ice cream, Pills-bury products, Smirnoff vodka and Pearlé Vision optical stores.

Grand Met's pretax profit fell 31 percent to £630 million (\$955.2 million) from £915 mil-lion the previous year, and its net income dropped 33 percent to £413 million. But pretax profit would have been £916 million if not for £286 million of one-time charges.

Sales rose 15.3 percent, to £7.58 billion, and the results were in line with market estimates. The divi-dend was raised to 13 pence per share from 12.3 a year earlier. Grand Met stock rose 12 pence to 428 pence in London trading.

In September, the company said it would take a £175 million charge related to a restructuring, which included a planned 3,000 layoffs in North America, where it has about 60 percent of its sales and profit.

Grand Met also had an £86 million charge related to its sale of betting units in 1989 to Brent Walker Group PLC, the debt-lad-den leisure concern taken over by its bankers in 1992. Brent still owes £66 million plus interest of the £685 million it agreed to pay.

Alex Oldroyd, an analyst at Soci-été Générale Strauss Turinville, said she was considering a small rise in her forecast of £980 million pretax profit for this year. "All

sections of the company have been progress," she said, adding that following recent asset dispos-als, the company was "more fo-cused" and positioned to "gen-erate lots of cash." (Reuters, APX)

Hanson Hit by Strike

Hanson PLC, the British-Amer-ican conglomerate, said pretax profit fell 20.9 percent, to £1.02 billion, in its 1993 financial year to Sept. 30, reflecting a strike at its Peabody Coal Co. unit, news agencies reported from London.

Hanson said it would offer its Beazer homebuilding operations to investors in initial public offer-ings in the United States and Brit-ain. It said it was planning a pro-gram of asset sales to reduce debt and that a "positive recovery" was evident in most of its markets.

Sales from continuing opera-tions rose to £9.53 billion from £8.49 billion, and Hanson left its annual dividend at 114 pence per share. (Bloomberg, APX)

German Rail Privatization Approved

Reuters

BONN — The German parli-ament approved legislation Thursday to start privatizing its unprofitable national railways next year.

Government and opposition parties approved a constitutional amendment and a package of laws merging Western Germany's Deutsche Bundesbahn and Deutsche Reichsbahn of Eastern Germany.

At first, Deutsche Bahn AG will be a 100 percent state-owned com-pany with three divisions: track, freight and passenger service. In 2002, the government plans to privi-tize each one. Different operators will compete to use the same track.

The government is taking on the railways' debt of about 70 billion Deutsche marks (\$40.7 billion) and will pay for upgrading Eastern Ger-many's battered rail network.

Transport Minister Matthias Wissmann said the reform would ultimately save money and improve service. It also represented a revolu-tion for the railways, whose employ-ees have been civil servants.

"Breaking the shackles of civil service law alone will bring the con-vert a cost reduction of nearly 60 billion DM over 10 years," he said.

The railways are expected to show a combined loss of more than 14 billion DM this year. The gov-ernment hopes privatization will make the railways more efficient and enable them to win passengers and freight away from the coun-try's clogged highway network.

Deutsche Bundesbahn's share of Western German goods traffic has fallen by more than half, to 18 per-cent, in the last 30 years.

Investor's Europe

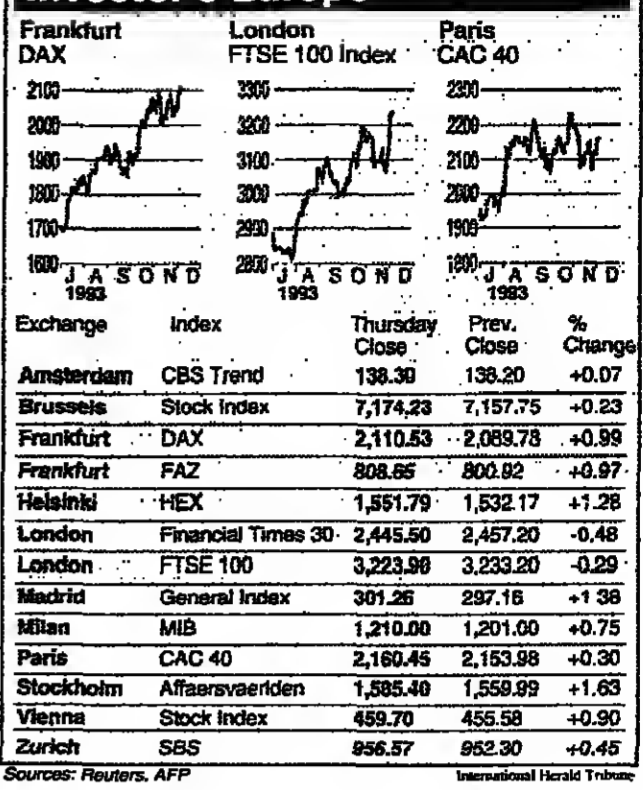


Table with columns: Exchange, Index, Thursday Close, Prev. Close, % Change. Rows include Amsterdam, Brussels, Frankfurt, Helsinki, London, Madrid, Milan, Paris, Stockholm, Vienna, Zurich.

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- Royal Bank of Scotland Group PLC shares surged 29 pence... Racial Electronics PLC said it posted a £388,000 loss... Mercury Communications Ltd. said it expects to gain about £50 million... French car production fell 32 percent in October...

COLLAPSE: VOLVO: Revolt Scuttles Plan to Merge With Renault Setback for Unity

Continued from Page 1... tional Institute for Management Development in Lansanne, Switzer-land. "It signaled that ultimate-ly, decisions regarding Renault-Volvo would be made for political rather than economic reasons." He said warnings that Swedish jobs would be imperiled by the deal were probably well-founded. "Continuing to produce cars in Gothenburg is questionable," Mr. Taucher said, referring to Volvo's headquarters city. "The Swedes would have been sacrificial lambs." Philippe Haspelslagh, professor of business policy at France's In-sard business school in Fontaine-bleau, said Renault may have wil-lingly sabotaged the deal by exploit-ing its position of strength during the negotiations, which ended with a plan for Renault to own 65 percent against Volvo's 35 per-cent in the joined company. "Volvo came to the negotiations in a weak position, and the French took advantage," Mr. Haspelslagh said. "If one party takes too much advantage of another, it comes back to haunt you. There has to be a certain amount of give by the stronger party in order to make these things work."

Another factor in the deal's col-lapse, he said, could be traced to a personal battle between Volvo's chairman, Pehr Gyllenhammar, and the Swedish financial and in-dustrial establishment, which ended with the executive's resignation Thursday night. "It was a bit of a witchhunt to get Gyllenhammar, who was suspected of empire-building," he said. "With the Renault deal, it looks like he went a bridge too far."

A shift in economic conditions at the two companies also had a strong part in the unraveling re-volt, which began to build a few weeks after the original deal was signed in September. Strong oper-ating earnings for October, leaked out this week, indicated that a re-orientation plan undertaken ear-lier, a devaluation of the Swedish currency and an upturn in the U.S. and British car markets were con-tributing to a bright profit outlook.

"There was a lot more life in Volvo than everyone believed a few years ago," said Edmund Chew, automotive analyst with Nomura Securities in London. "In the end, Volvo just wasn't weak enough to be taken over."

Analysts say that the Swedish carmaker may experience a few good years, but that it will then end up back where it started, needing a major infusion of capital. In his resignation, Mr. Gyllen-hammar called Volvo "a wounded company" and warned that the cancellation of the merger "reduces the probability of a Swedish pres-ence in Europe and for Volvo's long-term survival."

VENDÔME LUXURY GROUP

RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 1993

Vendôme Luxury Group ("Vendôme"), which was formed by means of the reconstruction of the luxury goods and tobacco businesses of Compagnie Financière Richemont AG, Rotmans International p.l.c. and Dunhill Holdings PLC, comprises the luxury goods businesses formerly controlled by those three groups. Vendôme, whose units have been quoted on the London Stock Exchange since the reconstruction became effective on 25th October, 1993, controls the Cartier, Alfred Dunhill, Montblanc, Piaget, Baume & Mercier, Karl Lagerfeld, Chloé, Saika and Hackley luxury groups.

The Boards of Directors of Vendôme announce the following unaudited pro forma results for the six months ended 30th September, 1993.

Financial Highlights in Swiss Francs and £ Sterling at average rates for 1993 and 1992. Metrics include Turnover, Operating profit, Profit before Taxation, Profit attributable to Unitholders, and Earnings per Unit.

The results, which have been compiled on a pro forma basis to reflect the fact that Vendôme did not trade as a single entity prior to 25th October, 1993, have been adjusted in order to harmonise the accounting policies of the group's subsidiaries.

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Japan Hears Calls to Boost Economy Package Due Next Week Aid for Consumers Urged

TOKYO — Japan's government spring into action Thursday, promising a fresh economic stimulus package to soothe fears of a stock market collapse and ease concern that the economy is faltering. Kazuo Aichi, a policy official of the Japan Renewal Party...

By Carl Gewirtz International Herald Tribune PARIS — It is not a Rooseveltian New Deal or Harry Truman's Fair Deal but rather a "Better Deal" for its consumers that Japan needs to pull its economy out of the doldrums, a report published Thursday said. The annual report on the Japanese economy issued by the Organization for Economic Cooperation and Development presents a grim overall outlook...

Growth Debated In Chinese Media

By Paul Blustein Washington Post Service BEIJING — The People's Daily, the organ of the Chinese Communist Party, is not the place one would expect to find a World Bank report sounding alarms about China's economic stability. But on Monday, the People's Daily devoted most of its third page to the text of a World Bank report warning that China's projected growth rate of 12 percent is not sustainable...

Investor's Asia

Table with columns for various Asian stock indices including Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225, and others with their respective values and percentage changes.

Very briefly:

- General Electric Co. of the United States plans to invest \$200 million to \$300 million in China over the next five years, mainly in energy, aircraft engines and transport, and plastics. Peninsular & Oriental Steam Navigation Co. said it would buy a controlling stake in Win Hawkey Investments...

CHINA: Booming New Firms Eclipse State Sector

Continued from Page 11 spoke only after reports started leaking into the press. Early reports said Mr. Morita had been hospitalized with a cold. Mr. Hashimoto and other executives said the company wanted to wait until 48 hours after the operation in order to get a better sense of Mr. Morita's condition...

consumer video cassette recorder and the compact disk. Mr. Morita has reportedly been urging the company to stick to developing new products to escape from its slump, rather than blaming the economy, said Nobuyuki Ichi, a Sony director. In the late 1980s, Sony moved boldly into the software business by buying CBS Records and then Columbia Pictures, the movie studio...

SONY: Outlook for Morita Uncertain After Surgery

Continued from Page 11 reporter around his production line, much of which had been imported from Taiwan. "Because I am a party member, I give the money to the country." But in the next breath, Mr. Ge conceded he was not exactly giving any money to the country. Though his factory will have a profit of nearly \$20 million in 1993, he will pay little or no taxes to the government, which "owns" his enterprise...

who are being cast onto a strained welfare system. Why would he pay taxes, Mr. Ge asked. After all, he relieved the state of a drain on its resources. He has done the government a favor, he said. Many managers of profitable businesses, especially those with foreign investors behind them, have negotiated tax exemptions from local authorities. This is one of the reasons central government revenues are not keeping pace with the demand for new railroads, highways and power plants...

U.S. Warning Annoys China

The Associated Press BEIJING — China on Thursday expressed "strong displeasure" at a U.S. warning that Beijing's poor protection of intellectual property rights could lead to trade sanctions. Trade Representative Mickey Kantor of the United States on Tuesday said China was failing to enforce laws protecting U.S. copyrights, trademarks and patents. He said he was placing China on a "priority watch list," a designation that could lead to trade sanctions if negotiations fail to resolve the dispute...

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SPORTS

Dinner in Paris: For Ambassador Dykstra, a Major League Event

By Ian Thomson
International Herald Tribune

PARIS — Lenny Dykstra looked out the tinted window at the buildings gliding past him. Asslike clouds of silent lightning. "I've never been in a here before," he admitted, pinching the armrest of his Mercedes. But he is not one to eat well. He found himself, rather, he is one to eat well. He found himself, rather, he is one to eat well. He found himself, rather, he is one to eat well.

Well, said his driver, a 26-year-old named Xavier, if you are asking which is the best at his restaurant in Paris. I will tell you that my dream has been always to eat the gameton at La Tour d'Argent on the quai Tournelle overlooking the people Seine and the cathedral Notre Dame.

Fine — the American hero decided with a cent stamp of the foot — everyone was going Sunday night to whichever that restaurant Xavier days had just said, and Xavier was coming too.

Isai Near Notre Dame, Dykstra bought two seeing abn drawings from a man in a brown leather jacket and a ship captain's hat. He sat in a cans f wheelchair. He was a dwarf. With the help of than f his interpreter, Dykstra was able to haggle 100 an Nl francs off of the original price of 950. Then one." Xavier drove everyone back to the Ritz, where "Tt Lenny pulled from his wardrobe of seven out-millio a cashmere Armani jacket and a cashmere ticket going like for baseball." he said, straightening his theyr beige Italian cap even with his eyes.

Including his wife, Terri, his business manag- tr, Lindsay Jones, and his wife, Sharie, plus After Xavier, the driver, and Bob Schuller, the inter- venter, the Dykstra party of 12 converged on

the restaurant lobby 25 minutes late and immediately was taken by elevator to the dining room on the sixth floor.

No sooner was Lenny seated than the maitre d' was trying to take his cap. "Bob!" Lenny shouted across the table. He found Bob indis- pensable. "Bob, man, come over and tell this dude that..." Bob then explained in French how Mr. Dykstra had suffered a serious injury playing baseball and how his head should not be exposed to the air. In this case Lenny was pleased with Europe's ignorance of American baseball. He was able to keep his cap.

Before considering dinner, Lenny recounted the story of a dessert wine he had enjoyed years before at a casino in Nevada. He did not recall the spelling, but it sounded something like Château d'Yquem. The sommelier informed Bob that a 1977 bottle was available to Mr. Dykstra for 16,135 francs.

Lenny said that must be the one. He announced to his party that Château d'Yquem was a very sweet wine and that was what everyone would be having for dessert. Almost everyone took on a pinched, distracted look as the exchange rate was mentally applied to a bottle of 1977 Château d'Yquem. Only Xavier was not visibly horrified, because he is French. The bottle calculated out to \$2,734.75. Before Xavier could ask for the duck in a pepper sauce, Lenny was asking Bob to order a white table wine for dinner. At the invitation of a friend who works in baseball, Bob had taken the train from his home in Nantes to serve as Lenny's

unofficial interpreter and guide. Bob selected a 1981 vintage Montrachet, which he priced for Lenny at \$80 per bottle. White burgundy and duck is as pleasant a combination as a clean white jersey with tobacco juice running down the front, and so no one questioned the choice.

"Tell everybody not to worry," Lenny told Bob. "The cost of this whole dinner I can take care of with one autograph signing at home. Two hours of signing autographs will pay for this whole thing."

His company relaxed while the waiter waited.

Disappointed that the recent World Series was not televised throughout Europe, major league baseball sent one of its stars on a five-day, showcase tour of Germany, France and the Netherlands. The choice was Lenny Dykstra, the Philadelphia Phillies' center fielder. On this road trip he did not chew tobacco.

Lindsay walked over to Dykstra and muttered, "Be sure to ask the waiter a lot of questions when he takes your order. He really appreciates it."

"Check out the dude's posture," Lenny said, nodding toward the maitre d'. "Dude's posture is unbelievable. Look at him."

"Straight out of butler's school," Lindsay said.

Because La Tour d'Argent has been operated in a discerning, hushed environment for more than 400 years, Lenny probably could have been heard across the long table without having

to shout hardly at all. Suddenly it occurred to him that he had been expected to sign autographs across town at another restaurant. The maitre d' stared blankly as Lenny explained that his dinner must be held while he ran out to the Chicago Pizza Pie Factory. But at least he did not have to fetch Mr. Dykstra's cap.

The rest of the table, at Lenny's insistence, ate without him and Terri Dykstra told of how they first met. She had been working at a bank in Jackson, Mississippi, she said, when Lenny asked to cash his \$325 paycheck from the local minor league team of the New York Mets. He was small and scrawny for a baseball player and she was attracted by his ambition. Over the last eight years he had surpassed all of his promises, becoming an All-Star, leading the Phillies from last place to first, and bulking up to hit four home runs in six World Series games this fall.

Dykstra would have been a world champion and the World Series' most valuable player had relief pitcher Mitch Williams been able to hold leads in Games 4 and 6. Yet the season was a victory for Dykstra. From the depths of a drunk-driving automobile accident that might have killed him in 1991, as well as one year's probation from baseball for gambling away \$78,000 to a Mississippi cardsharp, he had grown up to become a 30-year-old international ambassador for his game.

In lieu of a series of All-Star games in Europe, which baseball hopes to organize for next October, Dykstra's one-man show began with a

two-hour autograph session at a sporting goods store in Düsseldorf. In his free time Dykstra racked his brains trying to think of a souvenir to take home. In the end he bought a German shepherd. "What better? This is where they come from," he boasted.

This was followed in Paris by an interview with the French quarterly baseball magazine Strike and an appearance with local baseball players. In Amsterdam, where the tour ended, he gave several interviews and signed autographs for hundreds of chanting fans at the Hard Rock Cafe. Baseball is famous in the Netherlands, and Dykstra is a Dutch name, but Lenny wasn't sure what to make of it. "They speak Dutch in Holland, right?" he asked as the plane was landing there.

Such details are like the buzz of mosquitoes to him, but he will never forget the feast, which resumed late that Sunday night after intermission at the pizzeria. Everyone else had gone through several ducks and four bottles of Montrachet 1981 when Lenny began his dinner. He found the Montrachet particularly delightful. "Hey Bob," Lenny said, posing with a glass, "how much is this? I bet it's half as much as the wine we're having for dessert."

No, shook the head of Bob; it was \$80 a bottle. But he motioned for the wine list, looked up the price once more. With a thin smile he handed the list back to the sommelier. Someone asked how much it was, but there seemed to be a problem with Bob's mouth. He wanted to

speaking but could not. At last he said, "Five thousand."

"Bob," said someone else, "we've been drinking 5830 bottles of wine like it was water."

"So it's one-third as much," Lenny said. For the rest of his life he might compare everything against this pouncing bottle of Château d'Yquem. "Don't worry about it," he said to Bob. "A couple of autograph signings at home and this thing's paid for."

By this late hour a few of his dinner guests were standing around the table as if it were a smoking room. A dozen fresh glasses appeared. "They're getting ready to pour the 16,000-franc dessert wine, you'd better get some bench," Dykstra announced. His attention was interrupted by the owner of the restaurant, the celebrated Claude Terrail, whose father had hatched off his stock of Château d'Yquem to hide it from the Germans 50 years before. He was coming forward now to shake the hand of this American baseball magnate.

"Monseigneur," he said with a bow, "you've ordered one of the best wines in the world."

It is the magic of baseball, that every American boy will grow up to hit home runs and therefore conquer the world. It also is the stuff of The Beverly Hillsbillies. The dinner cost more than 80,000 francs, and Lenny put it on his Visa card. He walked out of La Tour d'Argent in the general direction of home with a takeout bag in his hand. The Château Whatever was so good he had ordered a second bottle — to go.

Australia Picks

Stoltenberg For Davis Cup

The Associated Press

DUSSELDORF — Jason Stoltenberg, who gave Michael Stich a difficult time at the Australian Open, unexpectedly got the honor Thursday of opening Australia's challenge for the Davis Cup title against Germany.

Richard Fromberg, having passed a fitness test after straining a rib muscle, will play the second singles against Marc-Kevin Goellner when the three days of matches begin Friday.

"We are a little bit surprised," said Stich, who needed five sets to beat Stoltenberg in the third round of the Australian Open in January, "we were really counting on Wally Masur in the singles."

Stich, ranked No. 2 in the world and leading Germany's bid for its third Davis Cup title, will play the first singles against Stoltenberg on Friday.

Australia's captain, Neale Fraser, who has a history of surprise decisions in Davis Cup finals, pulled another one when he dropped Masur, his top-ranked player at No. 21 in the world.

Masur, 30, who has had one of the best years in his career and was a semifinalist at the U.S. Open, was bitter.

"I am very disappointed," Masur said. "It's damn hard. I was sure of being named. I was looking very much forward to the final, and now I am not there."

Stoltenberg, 23, is ranked 44th, but he has been impressive in practice here and that's apparently what made Fraser pick him over Masur for the best-of-five series on a clay court.

In Saturday's doubles, Todd Woodbridge and Mark Woodford, Wimbledon champions and runners-up at last week's ATP Doubles World Championships, will play for Australia against Stich and Patrik Kohonen, who are undefeated this year.

In the reverse singles Sunday, Fromberg will play Stich and Stoltenberg will face Goellner.

Although the Germans are playing without Boris Becker, the hero of their two previous Davis Cup triumphs, in 1988 and 1989, who quit the team this year, they are considered favorites for the title.



Bad Boy Laimbeer Calls It Quits

New York Times Service

A National Basketball Association season that began without the hero fans enjoyed cheering the loudest will have to continue without the villain they loved to boo the most.

Bill Laimbeer announced Wednesday that, after a dozen seasons as the haddest of the Detroit Pistons' bad boys, he had decided to hang up his flying elbows and give his opponents' ribs and his own ailing back a rest.

"It was a very difficult decision, yet it was easy," Laimbeer said at the Pistons' headquarters in Auburn Hills, Michigan.

"I feel a lot of apprehension and sadness, but the main thing I really feel is relief."

So, presumably, do rival players, and at least one of his former teammates.

For all the damage Laimbeer did to his opponents as a 6-foot, 11-inch, 260-pound (210-meter, 118-kilogram) center who helped drive the Pistons to nine playoff appearances and two NBA titles, it was Isiah Thomas who suffered the most at Laimbeer's hands, or rather his elbow and head, this season.

First, Thomas had a rib broken when Laimbeer elbowed him during a pre-season practice Oct. 30. Then he broke his hand when he punched Laimbeer in the head in retaliation for yet another elbow dig during a practice Nov. 16.

A former Notre Dame player who broke in with Cleveland in 1980 and joined the Pistons early in 1982, Laimbeer, 36, has been nursing a bad back for years. His retirement was not unexpected.

For Magic, the Playing's the Thing

By Harvey Araton

New York Times Service

ROCKFORD, Illinois — Magic Johnson received a hero's front-page welcome to this northern Illinois city. He was also ripped by local AIDS activists.

Such is the psychological paradox that the basketball superstar's post-National Basketball Association life has become. In one breath, someone calls out "We love you, Magic." In another, he is challenged to explain what in the world he is doing here in the first place.

On World AIDS Day, Johnson, who is infected with HIV, the virus that causes AIDS, was here not to preach, only to play. "I love ball," he said at a news conference to kick off his "Magic Johnson Legends Tour" of five Continental Basketball Association towns. "I'm just a basketball player."

Arguably the greatest team player in the history of the sport, holder of five NBA championship rings, Johnson and his peripatetic all-stars beat the Rockford Lightning, 129-119, on Wednesday night. Next stop was Hartford, Connecticut, Thursday night, to challenge another entry from the NBA's developmental league for the love of a run and the spit of the game.

The game at Rockford's 8,900-seat Metro Centre, where the Lightning averages 3,500 fans, sold out. Tickets went for as much as \$30, which is usually the cost of a CBA night out for a family of four. Many members of the local news media stood and applauded when Johnson walked into the small gymnasium at Rock Valley College for a news conference.

So why was this tour's one actual legend really here, in subfreezing temperatures time zones from his home in sunny Los Angeles? He gave no one a palatable answer. He hinted, sometimes unwittingly, at many.

The crowds. The news media. His sponsors. The locker room. The guys. The game. The grim reality of HIV.

The lead headline on the front page of Wednesday's Rockford Register Star read: "Magic: I don't dwell on AIDS." He said that only when he takes his medicine, twice a day, does his condition usually cross his mind. "My theory is that if you think about it, that's all there's going to be," said Johnson. "Meanwhile, everything is still happening all around you."

So on and on he goes, just "trying to be Magic."

It is two years since Johnson announced he

Johnson tried being a spokesman for HIV. He just wasn't very good at it.

was infected with HIV and quit the Los Angeles Lakers after 12 seasons. He said then that his new job would be as a spokesman for the fight against HIV. On Wednesday night, a Rockford AIDS activist, John Olson, held a candlelight vigil in the rain outside the Metro Centre. And he lit into Johnson for not taking part in local World AIDS Day activities.

"This man, who walked out of the Presidential AIDS Commission because it wasn't doing anything, has no intention of supporting AIDS awareness," Olson said.

Johnson did try being a spokesman for HIV. He just wasn't very good at it. He started by telling schoolchildren he would beat the dis-

deals by creating his own Magic show time. He found unemployed veterans like Reggie Thues, Earl Cureton and John Long, and there are always young players looking for exposure on ESPN2, which was to televise Thursday's game in Hartford, and the chance to run with the best point guard of them all.

He appeared to lack the resolve to make what activists saw as the ultimate anti-discrimination statement for HIV by staying with the Lakers last fall. But Johnson's insistence on finding other places to play must count for something. He hears that he ought to be home every night with his wife, with his young son. It's his business, he said. He's out there. His statement, ultimately, is that he's not about to let others set his priorities.

If this is what Magic wants to do, what's the disgrace? said Rockford's coach, Mauro Panagga, a 65-year-old grandfather of 11. "You see that gate is. People still want to see him play."

If he could get his competition fix another way, Johnson would. Jordan and Larry Bird have golf. Golf is a private game in a quiet setting. Too quiet for Magic Johnson.

Trying to make the point that he doesn't need the cheers, the attention, he only made a more convincing case that he does. "I went to a concert the other night and the guy made me stand up two times," he said, as if his arm had been twisted. "The crowd kept cheering, cheering."

Crowds follow him everywhere when he goes on vacation or plays abroad. "If I needed that, I would just play in Europe, where I'm more popular than here," he said. But, of course, his coming South American tour is sold out, he noted. And then it's all about for eastern Asia. He mugged for countless snapshots. He high-fived kids when the game ended. He grabbed the public-address microphone. "Please say a prayer for all those with HIV," he said, his words a reminder that in the playing arena he always did make the right call.

This wasn't the NBA but it was still very much his element.

"I'm not here to prove anything, just to get the thrill of being out there, knowing I've got to push the button or I could be embarrassed," he said. "For them, the opponents, there's the challenge of trying to take me, beat me, that whole thing."

"I think," Magic Johnson said, unconvincedly, "they get more out of it than me."

DENNIS THE MENACE



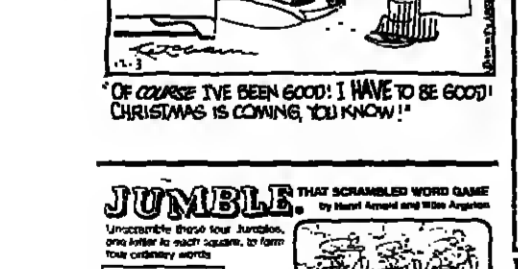
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SPORTS

Chinese Break 3 World Marks At Swim Meet

PALMA DE MALLORCA, Spain — China's women swimmers, who emerged as a power in last year's Olympics, set three world records and won all four gold medals Thursday on the opening day of the Short Course World Swimming Championships.

The U.S. men's 400-meter medley relay team set a world record of 3 minutes, 32.57 seconds.

FINA, the world governing body of swimming, has fully sanctioned short-course records only since 1991, and many are ripe for breaking.

Guoqiong Dai of China swam the women's 400-meter individual medley in 4:29.00, topping the mark of 4:31.36 set in 1987 by Nozomi Lung of Romania.

Then Jinyi Le was timed in 53.01 in the 100-meter freestyle, erasing the record of 53.33 set in 1992 by Franziska van Almsick, Germany's 15-year-old star.

China's 800-meter freestyle relay team broke the third record, with a time of 7:52.45. Australia, in second in 7:56.52, also topped the mark of 7:58.74 set by a U.S. team in 1981.

The other gold went to Limin Lui, with a time of 2:08.51 in the 200-meter butterfly.

The U.S. foursome of Tripp Schwentk, Seth VanNeerden, Mark Henderson and Jon Olsen broke the record of 3:34.86 set in 1992 by a Canadian 400-meter medley relay team.

In the day's three other men's finals, Finland's Antti Kasvio won the 200-meter freestyle in 1:45.21; Milos Milosevic of Croatia won the 100-meter butterfly in 52.79; and Canada's Curtis Myden took the 400-meter individual medley in 4:10.41.

In Manila, Chinese athletes set three meet records while winning eight of 11 events on the rain-drenched third day of competition at Asian Track and Field Championships.

In the day's biggest surprise, world record holder Andrei Abduvaliev of Tajikistan, who was heavily favored in the hammer throw, did not show up for the finals because of a recurring back injury.

Only South Korea, Taiwan and Qatar prevented a Chinese sweep of the gold medals. Lee Jin Taek of South Korea won the high jump, Tatal Mansurov of Qatar won the 100-meter dash and Chadamun Shana of Taiwan won the women's heptathlon — and in each case, China took the silver.

UEFA, for TV, Cuts Champions' League to Elite 24

'94 to See Big-Market Teams, Playing in Far More Matches

GENEVA — UEFA, soccer's governing body on the Continent, bowed Thursday to the demands of television and created an elite European Cup reduced to 24 teams.

The remodeled tournament, to start next season, will lead to a vast increase in the number of matches, a corresponding rise in television revenue and a guarantee that top clubs will take part in the Champions' League.

But 24 national champions from UEFA's 45 members, or exactly half, will have to make do instead with a berth in the UEFA Cup, which grows from 64 to 100 teams.

UEFA's president, Lennart Johansson, said the changes were inevitable following an increase in members after the break-up of eastern Europe.

"In such a situation you have to look at your competitors and see how you can form them from a financial and sporting point of view," he said.

"The competitions must reflect the standard of football in the respective countries."

UEFA's solution is something of a halfway house toward a European super league, which many of the continent's richest clubs would love to see come about.

Eight teams — the defending champions and the seven other clubs with the best European records over the previous five years — will get an automatic bye into the Champions' League, which will now contain 16 teams in four groups of four.

Sixteen other champions will play a preliminary round in August to decide which eight also go into the Champions' League.

The group matches of the Champions' League will take place between September and December, with the top two in each group going on to single-elimination quarterfinals the following March.

This means teams will have to play as many as 13 matches to win the European Cup, compared with the nine needed in the days before the Champions' League was invented.

The Cup Winners' Cup remains unchanged, though with 48 potential entrants, after the acceptance Thursday of provisional membership for Moldova and Azerbaijan, a large preliminary round will be needed.

The UEFA Cup will also have a huge preliminary round, involving 72 teams. The 28 with the best records will get a bye into the first round.

Many smaller nations will find their European entries cut from three to two. Their champions will go into the UEFA Cup, in which they will have no other representative, and their cup holders into the Cup Winners' Cup.

UEFA admitted that the changes were largely brought about by television demands.

A UEFA statement said 90 percent of television revenue came from just five countries — Germany, Spain, France, Italy and England — and companies from these countries were far from pleased when their teams were eliminated from the competitions too early.

English teams, for example, have failed to reach the Champions' League in all three seasons of its existence.

Had the new format been in place this season, Manchester United would have gone directly into the Champions' League and not been eliminated by Galatasaray of Turkey.

In all the competitions, teams will be seeded according to their results over the previous five years.

Teams that have not played in European competition in five years will be given the average rating for their country to avoid clubs from strong soccer nations being classified among the weak sections.



Faldo and Price Are the 2 Hot Shots in Sun City's Chase for \$1 Million

Nick Faldo, taking a water break on the course in Sun City, South Africa, and Nick Price each shot 5-under-par 67 on Thursday to lead the Million Dollar Challenge golf tournament after one round. Faldo, appearing untroubled by the tendonitis that had forced him to take a three-week break from golf, opened with a birdie and eagle on the first two holes. He and Price, who played together, held a four-shot lead over defending champion

David Frost, Mark McNulty and Corey Pavin, Frost being assessed a two-stroke penalty after he moved the ball fractionally while lining up a short putt for par on the 10th green. Filton Allen and Bernhard Langer were at 72, with Mark O'Meara at 74, Payne Stewart at 75 and Lee Janzen, Ian Woosnam and Ernie Els bringing up the rear at 76. The 13-year-old Million Dollar Challenge offers professional golf's richest first-place prize.

SIDELINES

Autopsy on Marable Inconclusive

PHILADELPHIA (AP) — Joseph Marable, the 17-year-old cousin of Hank Gathers who collapsed on a high school basketball court, did not die from illegal drugs or trauma, the City Health Department said without elaboration.

According to a source in the Philadelphia Medical Examiner's Office, Marable's autopsy did not reveal an exact cause of death. Initial examination of the heart did not show "gross evidence of a heart attack or heart disease," the source said.

The source added that further tests, including examination of tissue samples and blood tests, would be needed to determine the reason Marable died.

Orioles Lose Pagliarulo to Japan

TOKYO (AP) — Third baseman Mike Pagliarulo, made a free agent by the Baltimore Orioles, has signed a one-year, \$1.8 million contract with the Seibu Lions, the runner-up in this year's Japan Series, the Kyodo News Service reported Thursday.

Starting next season, Japan's 12 pro teams will be allowed to have three foreign players, an increase of one in the previous limit.

For the Record

Lesny Watkins was named captain of the U.S. team for the Ryder Cup golf tournament in 1995.

Quotable

Announcer Tim McCarver, on his former baseball associates: "The best way to avoid ballplayers is to go to a good restaurant."

NHL: Contract Ratified

NEW YORK Times Service — National Hockey League referees and linemen were returning to work Thursday night after a 17-day absence, having ratified a four-year contract with the league, whose Board of Governors also approved the pact.

Don Meenan, the agent representing the union, said the contract was ratified overwhelmingly by the members. He said the tradeoff that clinched the deal was the willingness of the officials to sign for four

NFL: Teams on the Move?

BALTIMORE — The head of this city's failed bid for an NFL expansion team said officials from two existing teams had approached him about moving since the league had added a team in Jacksonville, Florida.

Herbert Belgrad, chairman of the Maryland Stadium Authority, declined to name the teams but said they were among those already reported to be unhappy with their home towns.

INTERNATIONAL CLASSIFIED

Today's HOLIDAYS & TRAVEL SECTION Appears on Page 7

PERSONALS THANK YOU SAREE JUNE and second best of love for prayers answered.

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SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Table with columns for team, W, L, Pct, GB. Includes New York, Orlando, Boston, Washington, Miami, New Jersey, Philadelphia.

WESTERN CONFERENCE

Table with columns for team, W, L, Pct, GB. Includes Houston, San Antonio, Utah, Denver, Minnesota, Dallas.

WEDNESDAY'S RESULTS

Table with columns for team, W, L, Pct, GB. Includes Washington, Charlotte, New York, Dallas, Houston, San Antonio.

Major College Scores

EAST

Table with columns for team, W, L, Pct, GB. Includes Brown, Connecticut, Dartmouth, Cornell, Duke, Georgetown, Harvard, Princeton, Stanford, Wake Forest, Yale.

WEST

Table with columns for team, W, L, Pct, GB. Includes Arizona, California, Colorado, Oregon, Utah, Washington, Wisconsin.

WEDNESDAY'S RESULTS

Table with columns for team, W, L, Pct, GB. Includes Arizona, California, Colorado, Oregon, Utah, Washington, Wisconsin.

HOCKEY

NHL Standings

EASTERN CONFERENCE

Table with columns for team, W, L, Pts, GF, GA. Includes NY Rangers, Philadelphia, St. Louis, New Jersey, Washington, NY Islanders, Florida, Toronto.

WESTERN CONFERENCE

Table with columns for team, W, L, Pts, GF, GA. Includes Toronto, Detroit, Chicago, Detroit, Minnesota, St. Louis, Philadelphia, Washington.

WEDNESDAY'S RESULTS

Table with columns for team, W, L, Pts, GF, GA. Includes Detroit, Philadelphia, Washington, Toronto, St. Louis, Minnesota, Chicago, New York.

SOCCER

ENGLISH LEAGUE CUP

Table with columns for team, W, L, Pts, GF, GA. Includes Liverpool, Nottingham Forest, Manchester City, Aston Villa, Sheffield Wednesday, Tottenham, Blackburn.

THIRD ROUND

Table with columns for team, W, L, Pts, GF, GA. Includes Liverpool, Nottingham Forest, Manchester City, Aston Villa, Sheffield Wednesday, Tottenham, Blackburn.

WEDNESDAY'S RESULTS

Table with columns for team, W, L, Pts, GF, GA. Includes Liverpool, Nottingham Forest, Manchester City, Aston Villa, Sheffield Wednesday, Tottenham, Blackburn.

CRICKET

FIRST TEST

Table with columns for team, W, L, Pts, GF, GA. Includes Pakistan vs Zimbabwe, Second Day.

OBSERVER

Clinton's Credit Rating

By Russell Baker

NEW YORK — Can President Clinton be serious when he complains to Rolling Stone magazine about never getting "one damn bit of credit" from the "knee-jerk liberal press"?

Surely he is being sly, hoping to fish a little applause from a quarter reluctant to applaud anyone, least of all a middle-of-the-road president. As a Rhodes scholar, he knows enough history and political philosophy to understand the plight of the knee-jerk liberal press or otherwise.

We are speaking of a person hardened to ridicule. Even his political label — "knee-jerk liberal" — invites the world to think him morose, the kind of numskull whose ideas are prodded by rubber hammers tapping his knee.

A person who endures incessant ridicule on behalf of his politics is likely to be ungenerous with his praise when granted some small boon by those who treat him as a fool.

I speak from experience here. For I was once a knee-jerk liberal myself, though I didn't realize it until Lyndon Johnson entered my life. This was not the Presidential-Columbus Johnson, but the Senatorial Texas Johnson, who was the very soul of safe and sound political responsibility.

William S. White, then the New York Times's influential Senate correspondent, defined that Johnson's politics as "centrist" and accurately described Congress as a place ruled by "powerful centrist forces."

The lobby, of course, also shared in the rule, but their interests didn't differ much from those of the "centrist forces."

"Moderation" was the great political philosophy of the day, despised only by a handful on the Republican right who listened to Barry Goldwater and by assorted Democratic liberals to whom Johnson attached various belittling labels. They were "the knee-jerks," or "the bleeding hearts," or "the red hots."

Goldwater and his handful on the right were similarly isolated by labels like "right-wingers," with its ominous European sound, or dismissal in the plain American stand-

up-comic style as "right-wing outs." President Eisenhower, the Republican Landslide Hero, had declared "Moderation!" the banner that would lead them all to victory. Even a right-winger would have to be a nut to challenge Eisenhower, wouldn't he?

So we had the rule of Eisenhower's "moderation" and Johnson's "centrism." In tandem, they amounted to a tacit coalition of Southern racism, Wall Street economics, big-labor conservatism and Cold War enthusiasm.

On the fringes dwelt the famous "extremists on both sides" — the "knee-jerk" and "bleeding-heart" liberals, "red hots" and "right-wingers," often of the "out" species. Studying politics under Johnson, I saw how unreasonable, how impractical, in fact how outré I had been to support so many ideas that were not moderate, not centrist.

The world had to be as it was; those who wanted to make it different were — well — funny, foolish, not quite with it.

We are reminded by Richard Reeves's fine new book, "President Kennedy: Portrait of Power," that even with Eisenhower retired and Johnson buried in the vice presidency, the old order still ruled so completely that Kennedy regarded the civil rights movement as a nuisance created by unreasonable people to distract him from truly important Cold War problems.

Martin Luther King and the rest of that vast black movement of the dispossessed who were being so inconsiderate of Kennedy's problems were the ultimate in "knee-jerk" and "bleeding-heart liberalism."

Pursuing such unreasonable, impractical goals against overwhelming hostility tends to shrivel a person's generosity of spirit toward those who want him to be a good fellow and not make life so hard for a well-meaning president, but just give him a bit of praise.

Goldwater's right-wingers also declined to praise the Republican "moderation" establishment, being too occupied — how funny! — talking over the party with their nutty ideas.

Simply put: Powerlessness is not likely to be cured by politeness and good fellowship, Mr. President.

New York Times Service

A Conversation With the Picasso of Mime

By Alan Riding

PARIS — "I think I'm the Picasso of mime," Marcel Marceau said between rehearsals for his new show, at the Espace Pierre Cardin off the Champs-Élysées.

"At 80, Picasso was young. If I keep my fitness, I have at least another 10 years. It's an encouragement for all men in their 50s, 60s and 70s. I don't think of age. I think of life-force and creation."

At 70, Marceau still has much to do. For the first time since his original mime company disbanded in 1964, a subsidy from France's Culture Ministry has enabled him to form a new troupe, this time made up of graduates of his own mime school. These young artists are his legacy. And they must succeed if his form of mime is to survive. Through them, his name can live on.

But he also wants to reach out to children, to draw them into theaters, to help educate them in "the universality of culture," to introduce the magic of silence and imagination to a generation shaped by the noise and action of television. "I don't want our youth to become anti-romantic," he said. "We have to make room for the soul."

Marceau was not wearing the white mask that normally disguises the wrinkles of a worn face. For an interview, he sat slumped in the empty red orchestra seats of the theater, a bulky sheepskin jacket hiding his slim, wiry body. Yet, his eyes, his face, his hands never stopped moving, as if words alone could not speak for the master of wordless theater. Even so, the words kept pouring out. "The art of mime is an art of metamorphosis," he explained. "It's not stronger than words. You cannot say in mime what you can say better in words. You have to make a choice. Mime is an art beyond words. It is the art of the essential. And you cannot lie. You have to show the truth. The public has to understand immediately what you are doing. What situation you are in. That's why it's so hard to describe mime. You have to see it."

Marceau tells most of his stories through Bip, the quixotic, white-faced character in a stovepipe hat with a red flower that was created in 1947. Today, Bip has a repertoire of 44 sketches, each of them a mimed minutet to the foibles of human nature.

In "The Mask Maker," for example, he tries on different invisible masks until one with a manic grin becomes stuck. Finally, he removes it to reveal a scarred and defeated face. His aim is simply to make his audience see, feel and hear the invisible. And the passage of time is no obstacle. In one of his most famous sketches, he mimes the four stages of man — youth, maturity, old age and death — in just four minutes. "The Creation" takes only a little longer — from the first evidence of life on earth, when fish and birds come alive through his hands, to the moment when Adam and Eve skulked sheepishly out of the Garden of Eden many millions of years later.

Ofstage, Marceau seemed so less anxious to get his message across. Speaking in rushed English peppered with French, he ticked off his record — 15,000 performances in more than 100 countries before presidents, princes and paupers — as if his fame were still in doubt. Sentences darted in all directions, one moment into the past, the next into the future, yet always intent on convincing.

His never-ending obsession is to deconstruct the jealous world of culture that mime is an art unto itself, that it has earned its place in the theater as much as plays or dance. "Mime needs perfection," he said. "When you're in a play, 50 percent is the genius of the actor. 50 percent is



Marcel Marceau as Bip, his celebrated mime creation with a repertoire of 44 sketches.

the genius of the author. When a mime is not perfect, you see nothing."

"There is also a big difference between dance and mime," he went on. "Dance is in the air, promettes, very difficult. Mime is on the floor, like Spanish dancing perhaps, and very often in slow motion." He raised a hand and moved his palm across an invisible wall. "It's more like yoga, breathing deeply, feeling depth, feeling force. Sometimes it's like martial arts. Visual acting."

He is a great believer in technique, and students at the Marcel Marceau International Mime School of Paris study classical and modern dance, juggling, fencing, acrobatics and jazz as well as mime. But in auditioning applicants, he looks beyond physique. "They need a body with a sense of movement," he said. "They have to be fit like ballet dancers. But they have to have an inner fire. They have to have an actor's soul."

His primary instrument is, of course, his body, which twists, turns and bends to the commands of his eyes and face in a constant denial of his age. He stays in shape by teaching twice a week, performing 20 nights a year and avoiding tobacco, liquor and red meat. With age, he believes his style has also matured. "When I started, I hunted butterflies," he noted. "Later, I began to remember the war and I began to dig deeper, into misery, into solitude, into the fight of human souls against robots."

He does not dwell on World War II, but it left its mark on him. His Jewish father, a butcher from Strasbourg, was deported to Germany and died in a concentration camp in 1944. By then, the young Marceau had joined the Resistance and, after the liberation of France, he served in the First French Army on the Rhine.

After demobilization, he joined Charles Dullin's theater school intent on a career as a speaking actor. It was there, however, that he met Etienne Decroux, the best-known mime of his day, who proclaimed Marceau to be "a born mime." And with that, so to speak, he fell silent.

Marceau learned the basic "grammar" of mime from Decroux, but he borrowed the white face of the 19th-century French character Pierrot, whom Jean-Louis Barrault had just re-created in Marcel Carné's film classic, "Les Enfants du Paradis." Pierrot in turn had his roots in the mime tradition of Italy's commedia dell'arte three centuries earlier.

Yet, Bip is also very much Marceau's creation, because he seems to reflect the artist's own solitude. In the rare moments that his life is not consumed by mime, for example, Marceau's principal hobby is painting, itself a silent form of reflection.

And while he has four grown children from two previous marriages, when he is not traveling he lives alone at his country home at Berchères, west of Paris. Indeed, to have dedicated almost 30 years to a one-man show is itself a measure of his self-sufficiency.

He has nonetheless always been able to count on the loyalty of his fans, especially in the United States. He never forgets, for instance, that American audiences embraced him before France decided to acclaim him. "When I went back to Paris after being a hit on Broadway in 1955, everything changed for me," he recalled. "And he has returned almost annually to the United States ever since. But he was also inspired by the talents of Charles Chaplin, Buster Keaton and the Marx Brothers and, later, of Red Skelton, Danny Kaye and Jerry Lewis."

Today, Marceau likes to talk of the influences that mime has given and received. "Decroux was influenced by Rodin and by Isadora Duncan. I come from Pierrot, Decroux and Chaplin. Anthony Hopkins said in an interview that he was influenced by Laurence Olivier and Marcel Marceau. We have been influenced by modern dance, character dance. I see my influence in opera and contemporary theater. Chaplin opened the doors for us in movies. I opened the doors for mimes. There's nothing wrong with having influences. You should recognize what comes before you."

PEOPLE

The Most Admired: Who's Up, Who's Down

Barbara Bush not only has been bumped as first lady, she has been knocked from the top of a poll of most-admired women. She fell behind Mother Teresa in Good Housekeeping's annual list of most admired men and women, but still finished ahead of her White House replacement, Hillary Rodham Clinton. On the men's side, Billy Graham finished first for the second straight year. President Bill Clinton finished second — up from No. 10 last year — and George Bush was right behind him.

Under palace arrest? The fallen hotel queen Lenora Helmsley is back home to finish out her sentence for tax evasion. Helmsley returned to her digs at the Park Lane Hotel in New York after a month at a halfway house, the \$34-a-night Le Marquis Hotel. But Helmsley still has a 9 P.M. curfew until Jan. 26, when she will be free.

Prince Edward has gone to work, the first child of a British monarch to do so, according to The Daily Telegraph of London. The 29-year-old son of Queen Elizabeth II is joint managing director of Arden Productions, a television production company he founded with backing from the Sultan of Brunei.

Like father, like son. Zoltan Mehta, in a tribute to his father, Mehta, will conduct the American Youth Symphony, which his father founded in Los Angeles. The elder Mehta, 85, usually conducts a concert each month but must skip Sunday's performance, on doctor's orders, as he recovers from laryngitis.

Delia Winger will have to wait to make her debut with the San Francisco Symphony. The actress was to narrate "From the Diary of Anne Frank" this week under the baton of its composer and the symphony's music director, Michael Tilson Thomas, but the musician will not perform because their three-year contract expired last weekend.

INTERNATIONAL CLASSIFIED
Appears on Pages 7, 15 & 17

WEATHER

Table with weather forecasts for Europe, including columns for High, Low, and Temperature for various cities like London, Paris, and Rome.

Table with weather forecasts for Asia, including columns for High, Low, and Temperature for cities like Tokyo, Seoul, and Hong Kong.

Table with weather forecasts for Africa, including columns for High, Low, and Temperature for cities like Cairo, Lagos, and Johannesburg.

Table with weather forecasts for North America, including columns for High, Low, and Temperature for cities like New York, Los Angeles, and Chicago.

Table with weather forecasts for Latin America, including columns for High, Low, and Temperature for cities like Mexico City, Lima, and Santiago.

Table with weather forecasts for Oceania, including columns for High, Low, and Temperature for cities like Sydney and Melbourne.

CROSSWORD

ACROSS: 1 1975 Wimbledon champ; 5 — novel; 10 High-ranking NCO; 14 Oscar winner for "Moonstruck"; 15 Sit up for; 16 From Howard TV role; 17 Living Berlin song; 20 Woolgatherer?

DOWN: 1 Highest point; 2 "Pygmalion" author; 3 Booles recording; 4 Cool; 5 Tried to save a sinking ship?; 6 Steinbrenner, to the Yankees; 7 Wife; 8 Searched; 9 From — Z; 10 Loose feathers; 11 "Mary Poppins" tune, with "A"; 12 Take's partner; 13 Goliath's godfathers; 14 River in Belgium; 15 Revolted; 24 "Aquarius" musical; 25 Gone, but not forgotten?; 26 Dinosaur DNA preserver; 27 Coffin stands; 28 Injuries; 29 Court cry; 31 "Twisted" body part; 32 Broadcast snore; 34 Boast; 37 "The Human Comedy" author; 38 "ZP" — "Doc" last; 40 Like a pitcher's perfect game; 41 Siberian city; 42 Conductor; 43 Cigar ending; 44 Giant Mel; 45 "Make — double"; 46 Filipino; 47 60's hair style.

Crossword puzzle grid with clues and a solution key for the puzzle of Dec. 2.

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